

**SCHOOL DISTRICT OF THE  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

**School District  
of  
BOROUGH OF CLIFFSIDE PARK**

**BOROUGH OF CLIFFSIDE PARK BOARD OF EDUCATION  
Cliffside Park, New Jersey**

**Comprehensive Annual Financial Report  
Year Ended June 30, 2014**

# Comprehensive Annual Financial Report

of the

**BOROUGH OF CLIFFSIDE PARK  
BOARD OF EDUCATION  
Cliffside Park, New Jersey**

**Year Ended June 30, 2014**

**Prepared by**

**Louis Alfano  
Business Administrator/Board Secretary**

# OUTLINE OF CAFR

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## INTRODUCTORY SECTION



# **CLIFFSIDE PARK PUBLIC SCHOOLS**

*THE MUNICIPAL COMPLEX*

*525 PALISADE AVENUE*

*CLIFFSIDE PARK, NEW JERSEY 07010*

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*Louis Alfano*

*Business Administrator/ Board Secretary*

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*E-MAIL: lalfano@cliffsidepark.edu*

October 20, 2014

Honorable President and Members of the  
Cliffside Park Board of Education  
525 Palisade Avenue  
Cliffside Park, New Jersey 07010

Dear Board Members,

State Department of Education statutes require that all school districts prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Cliffside Park Board of Education for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the Cliffside Park Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Cliffside Park Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the Cliffside Park Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Cliffside Park Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Cliffside Park Board of Education's financial statements have been audited by Ferraioli, Wielkotz, Cerullo, & Cuva, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance the financial statements Cliffside Park Board of Education for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cliffside Park Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Cliffside Park Board of Education's CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Cliffside Park Board of Education's MD&A can be found immediately following the independent auditors' report.

**REPORTING ENTITY AND ITS SERVICES:** The Cliffside Park School District is an independent reporting entity within the criteria adopted by Governmental Accounting Standards Board (GASB) as established by GASB No. 14. All funds of the District are included in this report. The Cliffside Park Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level PK through 12. These include regular, vocational as well as special education for disabled youngsters. The District completed the 2013/2014 fiscal year with 2,901 students, which is 62 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Enrollment	Percent Change
2004-2005	2,558	(1.3)
2005-2006	2,606	1.8
2006-2007	2,572	(1.3)
2007-2008	2,587	(.04)
2008-2009	2,647	2.3
2009-2010	2,760	4.2
2010-2011	2,740	(2.0)
2011-2012	2,779	1.4
2012-2013	2,839	2.1
<b>2013-2014</b>	<b>2,901</b>	<b>2.1</b>

**ECONOMIC CONDITION AND OUTLOOK:** The local economy of the Cliffside Park area is relatively stable and is expected to continue at that level. The Borough's economy is mainly comprised of retail stores and light industry. The present structure is expected to remain unchanged in the future.

**MAJOR INITIATIVES:** The Cliffside Park Board of Education recognizes its responsibility to provide a broad educational program consistent with the mental and physical potential of every child in our community. The Board believes that each individual should be accepted into our educational program as he/she is and be provided with a stimulating environment and opportunities for learning experiences designed to promote behavioral changes that will affect satisfactory adjustments to life. In addition to meeting the special needs of our students the high school offers preparation for entrance to college, technical and sub-professional schools. The high school also offers college courses that focus on the sciences, mathematics, foreign languages and social studies. Many accelerated and advanced placement courses are also available in all subject areas.

Cliffside Park is a charter member of the Bergen County ITV Consortium and is accredited by the New Jersey Department of Education. Our students consistently test above the state and national averages and have been accepted into colleges throughout the United States.

A full range of educational support services are available to all students i.e. guidance services, health services in each school, certified nurses, full Child Study Team, in addition to a PK through 12 ESL program.

The Superintendent has received and initiated, with the Board's approval, the following programs:

**EARLY CHILDHOOD:** Half-day Pre-K and kindergarten.

**MATH CURRICULUM:** The Cliffside Park School District uses the Envision Math Mathematics series which parallels the Content Standards. This series emphasizes open-ended questions and critical thinking problems that are key components to state assessments.

**READING CURRICULUM:** The Cliffside Park School District uses the Pearson Reading series which parallels the Content Standards with emphasis on writing and literacy. This series enables teachers to meet individual needs of all students at all levels. The District continues to utilize a balanced literacy curriculum.

**GIFTED AND TALENTED:** A Gifted and Talented program is available in the Cliffside Park Schools with an emphasis on computer technology. The program begins on a pull-out basis in grades three through eight and is completed at the high school level (grades 9-12) in our advanced placement and other accelerated offerings.

**TESTING:** PARCC Testing (grades three through eleven) is required under NCLB. Other standardized tests given within the District include NJPass, Boehm Test, and the Otis Lennon Ability Test.

**PROFESSIONAL DEVELOPMENT:** The District's teaching staffs are currently undertaking professional development in reading and writing literacy, technology, teacher evaluations, substance abuse program, violence/vandalism prevention and affirmative action guidelines.

**INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual budgets are adopted for the General, Special Revenue and Debt Service Funds. The final budget amounts as amended for the fiscal year are reflected in the financial section.

**ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board.(GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Basic Financial Statements".

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation of fund balance at June 30.

**PROPRIETARY FUND:** The Enterprise Food Service fund provides for the operation of food services in all schools within the school district. This full service breakfast and lunch program operates successfully with no costs for the school district or the taxpayers of Cliffside Park.

**FIDUCIARY FUNDS:** Fiduciary Funds consist of assets held by the district as agent for student organizations, private organizations, other governments and other funds.

**DEBT ADMINISTRATION:** On July 15, 1999 the District issued \$5,400,000 of bonds to finance a capital improvement referendum approved by the District's voters on December 8, 1998 which were refunded on July 15, 2006. At June 30, 2014 \$2,315,000 of the school bonds were outstanding.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by the state statute as detailed in the "Notes to the Basic Financial Statements", the District has adopted has a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

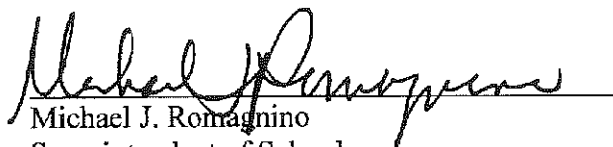
**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents


and fidelity bonds. The District provides its employee full medical insurance through traditional health insurance plan.

**OTHER INFORMATION:** A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo, & Cuva was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey Circular 04-04. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' report related specifically to the Single Audit is included in the Single Audit Section of this report.

**ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cliffside Park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

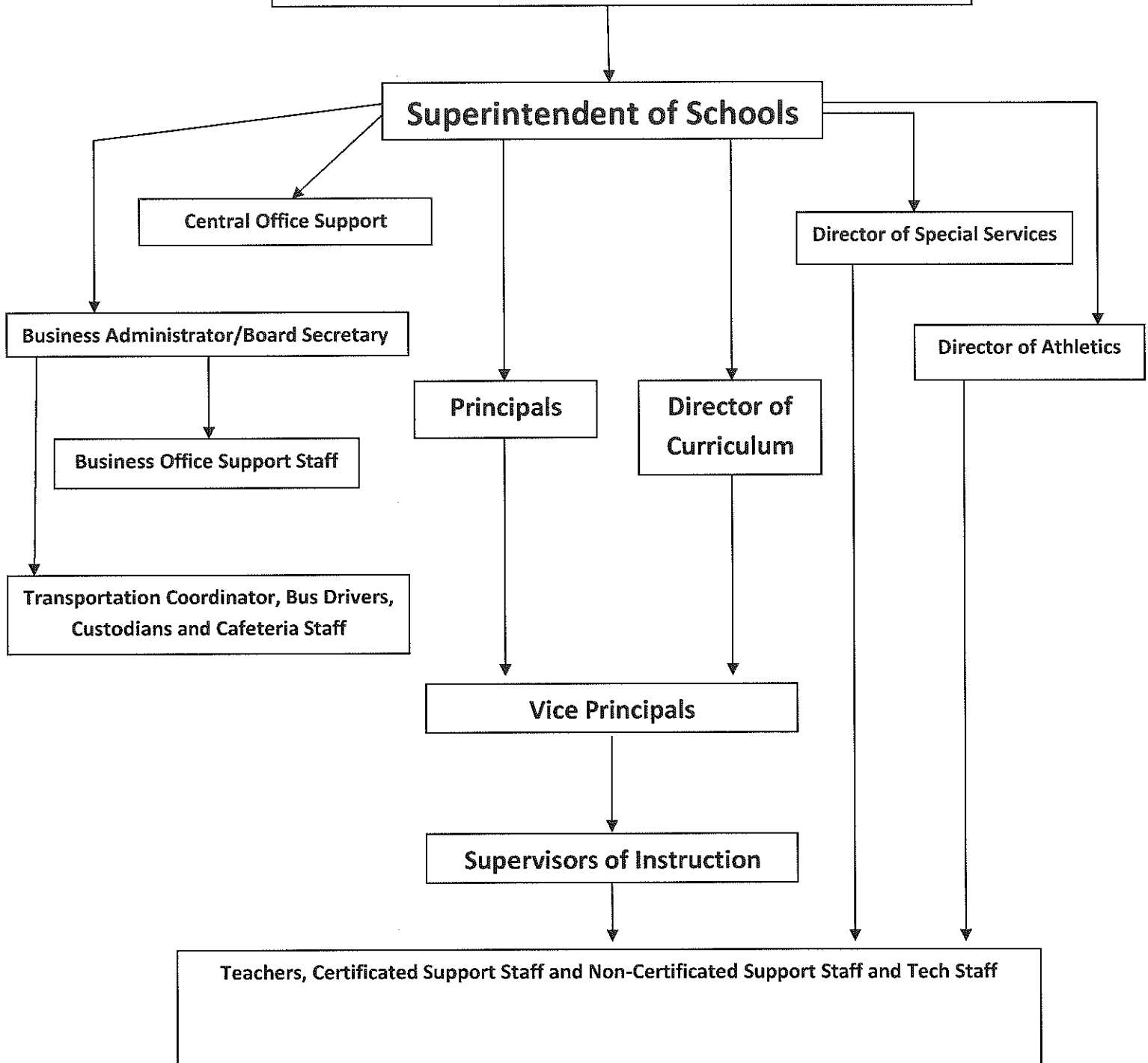
Respectfully submitted,

  
Michael J. Romagnino  
Superintendent of Schools

  
Louis Alfano  
Business Administrator  
Board Secretary

# ORGANIZATIONAL CHART

## CLIFFSIDE PARK BOARD OF EDUCATION



# CLIFFSIDE PARK BOARD OF EDUCATION

## ROSTER OF OFFICIALS

JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Samuel Martone, President	2016
Joseph J. Cota, Vice President	2015
Toni Bongard	2015
Joseph Capano	2017
Stephen D. Dobish, Ed. D.	2015
Lisa Frato	2016
James Shelley	2017
Teddy F. Tarabokija	2017
Gina M. Vaccaro	2016

### Other Officials

Angelo D' Arminio, Fairview Representative

Michael J. Romangnino, Superintendent of Schools

Louis Alfano, Business Administrator/Board Secretary

Frank Berardo, Treasurer of School Monies

Fogarty & Hara, Board Attorney

**CLIFFSIDE PARK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**June 30, 2014**

**Attorney**

FOGARTY & HARA  
21-00 Route 208 South  
Fair Lawn, NJ 07410

**District Auditor**

STEVEN D. WIELKOTZ, C.P.A.  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442

**Official Depositories**

TD BANK NORTH  
354 Palisade Avenue  
Cliffside Park, NJ 07010



## FINANCIAL SECTION

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
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Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Borough of Cliffside Park School District  
County of Bergen, New Jersey  
Cliffside Park, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and  
Members of the Board of Education  
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Cliffside Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Cliffside Park Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***


In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2014 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

Honorable President and  
Members of the Board of Education  
Page 4.

is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Cliffside Park Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 20, 2014



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED**

As management of the Borough of Cliffside Park School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Cliffside Park School District for the fiscal year ended June 30, 2014.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position decreased \$(297,140). Net position of governmental activities decreased \$(219,287) while net position of business-type activity decreased by \$(77,853).
- General revenues accounted for \$42,866,011 in revenue or 91 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,047,330 or 9 percent of total revenues of \$46,913,341.
- The School District had \$45,127,594 in expenses related to governmental activities; only \$2,042,296 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$42,866,011 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This discussion and analysis are intended to serve as an introduction to the Borough of Cliffside Park School District's basic financial statements. The Borough of Cliffside Park School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**District-Wide Financial Statements**

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Cliffside Park School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Cliffside Park School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Cliffside Park School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Cliffside Park School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Cliffside Park School District include instruction, support services and special schools. The business-type activities of the Borough of Cliffside Park School District include the food service program.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Cliffside Park School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Cliffside Park School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.



**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Cliffside Park School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Cliffside Park School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**Proprietary Funds**

The Borough of Cliffside Park School District maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Cliffside Park School District uses enterprise funds to account for its food service program and after school program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Cliffside Park School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

The School District's net position was \$12,220,648 at June 30, 2014 and \$12,517,788 at June 30, 2013. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2014 compared to 2013 (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>						
Current and Other Assets	8,572,264	9,661,123	324,811	468,022	8,897,075	10,129,145
Capital Assets	<u>6,949,744</u>	<u>6,864,117</u>	<u>13,566</u>	<u>20,128</u>	<u>6,963,310</u>	<u>6,884,245</u>
Total Assets	<u>15,522,008</u>	<u>16,525,240</u>	<u>338,377</u>	<u>488,150</u>	<u>15,860,385</u>	<u>17,013,390</u>
<b>Liabilities</b>						
Current Liabilities	78,755	475,154	28,445	100,365	107,200	575,519
Noncurrent Liabilities	<u>3,451,710</u>	<u>3,829,153</u>	<u>—</u>	<u>—</u>	<u>3,451,710</u>	<u>3,829,153</u>
Total Liabilities	<u>3,530,465</u>	<u>4,304,307</u>	<u>28,445</u>	<u>100,365</u>	<u>3,558,910</u>	<u>4,404,672</u>
<b>Deferred Inflow of Resources</b>						
Unamortized Bond Premium	<u>80,827</u>	<u>90,930</u>	<u>—</u>	<u>—</u>	<u>80,827</u>	<u>90,930</u>
Total Deferred Inflow of Resources	<u>80,827</u>	<u>90,930</u>	<u>—</u>	<u>—</u>	<u>80,827</u>	<u>90,930</u>
<b>Net Position</b>						
Invested in Capital Assets,						
Net of Related Debt	4,723,841	4,275,454	13,566	20,128	4,737,407	4,295,582
Restricted	7,909,736	8,491,062			7,909,736	8,491,062
Unrestricted	<u>(722,861)</u>	<u>(636,513)</u>	<u>296,366</u>	<u>367,657</u>	<u>(426,495)</u>	<u>(268,856)</u>
Total Net Position	<u>11,910,716</u>	<u>12,130,003</u>	<u>309,932</u>	<u>387,785</u>	<u>12,220,648</u>	<u>12,517,788</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2014 compared to 2013.

**Table 2  
Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			1,069,212	1,018,243	1,069,212	1,018,243
Operating Grants and						
Contributions	2,042,296	1,890,253	935,822	902,280	2,978,118	2,792,533
Capital Grants and						
Contributions		42,233				42,233
General Revenues:						
Taxes:						
Property taxes	29,412,200	28,840,118			29,412,200	28,840,118
Federal and State Aid not						
Restricted	7,355,462	7,466,294			7,355,462	7,466,294
Tuition Received	5,626,526	6,714,158			5,626,526	6,714,158
Miscellaneous Income	<u>471,823</u>	<u>682,752</u>			<u>471,823</u>	<u>682,752</u>
Total Revenues and Transfers	<u>44,908,307</u>	<u>45,635,808</u>	<u>2,005,034</u>	<u>1,920,523</u>	<u>46,913,341</u>	<u>47,556,331</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	17,227,778	17,888,947			17,227,778	17,888,947
Special Education	6,063,910	4,523,963			6,063,910	4,523,963
Other Special Education	973,023	793,949			973,023	793,949
Other Instruction	787,487	704,952			787,487	704,952
Support Services:						
Tuition	2,412,564	1,660,412			2,412,564	1,660,412
Student & Instruction						
Related Services	5,056,961	4,373,317			5,056,961	4,373,317
School Administrative						
Services	1,741,387	1,774,397			1,741,387	1,774,397
General Administrative						
Services	1,200,572	1,206,620			1,200,572	1,206,620
Central Services and Admin.						
Info. Tech.	901,454	774,908			901,454	774,908
Plant Operations and						
Maintenance	2,424,064	2,674,999			2,424,064	2,674,999
Pupil Transportation	1,217,939	1,090,420			1,217,939	1,090,420
Unallocated Benefits	3,387,615	4,036,579			3,387,615	4,036,579
Food Service			1,904,767	1,823,487	1,904,767	1,823,487
After School Program			178,120	173,750	178,120	173,750
Charter Schools	48,351	51,535			48,351	51,535
Interest on Long-Term Debt	98,004	109,596			98,004	109,596
Unallocated Depreciation	177,519	299,391			177,519	299,391
Capital Outlay -						
Nondepreciable	<u>1,408,966</u>	<u>5,200</u>			<u>1,408,966</u>	<u>5,200</u>
Total Expenses and Transfers	<u>45,127,594</u>	<u>41,969,185</u>	<u>2,082,887</u>	<u>1,997,237</u>	<u>47,210,481</u>	<u>43,966,422</u>
Increase or (Decrease) in						
Net Position	<u>(219,287)</u>	<u>3,666,623</u>	<u>(77,853)</u>	<u>(76,714)</u>	<u>(297,140)</u>	<u>3,589,909</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business-Type Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$47,210,481. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$29,412,200 because some of the cost was paid by those who benefitted from the programs \$1,069,212, by other governments and organizations who subsidized certain programs with grants and contributions \$2,978,118, unrestricted federal and state aid \$7,355,462, tuition received \$5,626,526, and by miscellaneous sources \$471,823.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2014, and the amount and percentage of increases/(decreases) relative to the prior year.

**Schedule of Change in Governmental Fund Revenue and Expenditures**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$35,510,549	79.1 %	(\$726,479)	(2.00)%	\$36,237,028
State Source	7,630,004	17.0%	(67,946)	(.88)%	7,697,950
Federal Source	<u>1,767,754</u>	<u>3.9%</u>	<u>66,924</u>	3.93%	<u>1,700,830</u>
Total	<u>\$44,908,307</u>	<u>100.0%</u>	<u>(\$727,501)</u>	(1.59)%	<u>\$45,635,808</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$20,406,617	44.7 %	\$840,603	4.30%	\$19,566,014
Undistributed	22,921,446	50.3%	1,163,099	5.35%	21,758,347
Debt Service	428,487	0.9%	3,724	0.88%	424,763
Capital Outlay	<u>1,849,700</u>	<u>4.1%</u>	<u>1,674,992</u>	958.74%	<u>174,708</u>
Total	<u>\$45,606,250</u>	<u>100.0%</u>	<u>\$3,682,418</u>	8.78%	<u>\$41,923,832</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2014, the School District amended the special revenue fund by \$1,173,489 for increases in federal and state grants.

**General Fund**

The general fund actual revenue was \$42,431,442. That amount is \$3,324,770 above the final amended budget of \$39,106,672. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,412,401 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$89,368, and a \$(176,999) deficit in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$43,135,467 including transfers which is \$168,921 below the final amended budget of \$43,304,388. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$3,412,401 for TPAF pension and social security reimbursements, and \$3,581,322 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$42,431,442 and total expenditures of \$43,135,467 with an ending fund balance of \$8,685,056 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$2,028,100. That amount is \$183,453 below the final amended budget of \$2,211,553. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$2,028,100, which is \$183,453 below the final amended budget of \$2,211,553. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2014 the School District had \$17,074,744 invested in sites, buildings, equipment and construction in progress. Of this amount \$10,111,434 in depreciation has been taken over the years. We currently have a net book value of \$6,963,310. Total additions for the year were \$444,483, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Construction in Progress	561,220	561,220			561,220	561,220
Buildings and Improvements	5,741,257	5,928,879			5,741,257	5,928,879
Furniture, Equipment and Vehicles	<u>458,599</u>	<u>185,350</u>	<u>\$13,566</u>	<u>\$20,128</u>	<u>472,165</u>	<u>205,478</u>
	<u>\$6,949,744</u>	<u>\$6,864,117</u>	<u>\$13,566</u>	<u>\$20,128</u>	<u>\$6,963,310</u>	<u>\$6,884,245</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

**Debt Administration**

At June 30, 2014, the District had \$3,451,710 of outstanding debt. Of this amount, \$1,306,634 is for compensated absences; \$10,076 is for various capital leases; and \$2,135,000 of serial bonds for school construction and related refunding costs.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2014</u>	<u>2013</u>
2001 School Improvement Bonds	<u>\$2,135,000</u>	<u>\$2,460,000</u>



**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (continued)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2014-2015 school year that is higher than the level of the 2013-2014 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2014-2015 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Cliffside Park School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Louis Alfano  
School Business Administrator  
Borough of Cliffside Park School District  
525 Palisade Avenue  
Cliffside Park, NJ 07010

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	3,113,670	201,343	3,315,013
Due from other funds	1,050		1,050
Receivables, net	2,676,711	137,697	2,814,408
Internal balances	20,459	(20,459)	-
Inventory		6,230	6,230
Restricted assets:			
Capital reserve account - cash	2,760,374		2,760,374
Capital assets:			
Land and construction in progress	749,888		749,888
Other capital assets, net	6,199,856	13,566	6,213,422
Total Assets	<u>15,522,008</u>	<u>338,377</u>	<u>15,860,385</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	41,949	28,445	70,394
Payable to state government	920		920
Unearned revenue	35,886		35,886
Noncurrent liabilities:			
Due within one year	345,076		345,076
Due beyond one year	3,106,634		3,106,634
Total liabilities	<u>3,530,465</u>	<u>28,445</u>	<u>3,558,910</u>
Deferred Inflow of Resources:			
Unamortized Bond Premium	<u>80,827</u>		<u>80,827</u>
	<u>3,611,292</u>	<u>28,445</u>	<u>3,639,737</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	4,723,841	13,566	4,737,407
Restricted for:			
Capital projects	102,363		102,363
Debt service	1		1
Other purposes	7,807,372		7,807,372
Unrestricted (Deficit)	<u>(722,861)</u>	<u>296,366</u>	<u>(426,495)</u>
Total net position	<u>11,910,716</u>	<u>309,932</u>	<u>12,220,648</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	13,913,687	3,314,091			(17,227,778)	(17,227,778)
Special education	5,145,616	918,294		1,636,802	(4,427,108)	(4,427,108)
Other special instruction	770,854	202,169			(973,023)	(973,023)
Other instruction	662,276	125,211			(787,487)	(787,487)
Support services:						
Tuition	2,412,564				(2,412,564)	(2,412,564)
Health Services	387,509	98,258			(485,767)	(485,767)
Student & instruction related services	3,929,233	641,961		405,494	(4,165,700)	(4,165,700)
School administrative services	1,380,298	361,089			(1,741,387)	(1,741,387)
General administrative services	1,120,682	79,890			(1,200,572)	(1,200,572)
Central services and administrative information technology	760,258	141,196			(901,454)	(901,454)
Plant operations and maintenance	2,142,777	281,287			(2,424,064)	(2,424,064)
Pupil transportation	1,025,053	192,886			(1,217,939)	(1,217,939)
Unallocated benefits	3,387,615				(3,387,615)	(3,387,615)
Charter Schools	48,351				(48,351)	(48,351)
Capital outlay - non-depreciable	1,408,966				(1,408,966)	(1,408,966)
Interest on long-term debt	98,004				(98,004)	(98,004)
Unallocated depreciation/amortization	177,519				(177,519)	(177,519)
Total governmental activities	38,771,262	6,356,332	-	2,042,296	(43,085,298)	(43,085,298)
Business-type activities:						
Food Service	1,904,767		868,831	935,822		(100,114)
After School Program	178,120		200,381			22,261
Total business-type activities	2,082,887		1,069,212	935,822		(77,853)
Total primary government	40,854,149		1,069,212	2,978,118	(43,085,298)	(43,163,151)
General revenues:						
Taxes:						
Levied for general purposes					28,988,330	28,988,330
Taxes levied for debt service					423,870	423,870
Federal and State aid not restricted					7,355,462	7,355,462
Tuition received					5,626,526	5,626,526
Miscellaneous Income					471,823	471,823
Total general revenues, special items, extraordinary items and transfers					42,866,011	42,866,011
Change in Net Position					(219,287)	(297,140)
Net Position—beginning						12,517,788
Net Position—ending					387,785	12,220,648

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	3,001,971		111,698	1	3,113,670
Accounts Receivable -					
Interfunds	247,623				247,623
Intergovernmental - State	451,952				451,952
Intergovernmental - Federal		251,343			251,343
Intergovernmental - Other	1,973,416				1,973,416
Restricted cash and cash equivalents					
Capital reserve	2,760,374				2,760,374
Total assets	<u>8,435,336</u>	<u>251,343</u>	<u>111,698</u>	<u>1</u>	<u>8,798,378</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Intergovernmental accounts payable - State		920			920
Interfund payables	11,577	214,537			226,114
Unearned revenue		35,886			35,886
Total liabilities	<u>11,577</u>	<u>251,343</u>	<u>-</u>	<u>-</u>	<u>262,920</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,076,374				2,076,374
Excess Surplus - prior year - designated for subsequent year's expenditures	2,336,703				2,336,703
Capital reserve account	2,760,374				2,760,374
Assigned to:					
Year-end Encumbrances	583,942				583,942
Designated by the BOE for subsequent year's expenditures	49,979				49,979
Capital projects fund			111,698		111,698
Debt service fund				1	1
Unassigned:					
General Fund	616,387				616,387
Total Fund balances	<u>8,423,759</u>	<u>-</u>	<u>111,698</u>	<u>1</u>	<u>8,535,458</u>
Total liabilities and fund balances	<u>8,435,336</u>	<u>251,343</u>	<u>111,698</u>	<u>1</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,825,378 and the accumulated depreciation is \$9,875,634	6,949,744
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(41,949)
Bond issuance premiums are reported as revenues in the Governmental Funds in the year of the receipt. The original premium was \$202,066 and accumulated amortization is \$121,239	(80,827)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(3,451,710)
Net position of governmental activities	<u>11,910,716</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	28,988,330			423,870	29,412,200
Tuition charges	5,626,526				5,626,526
Miscellaneous	471,823				471,823
Total - Local Sources	35,086,679	-	-	423,870	35,510,549
State sources	7,277,165	338,887	9,335	4,617	7,630,004
Federal sources	64,345	1,703,409			1,767,754
Total revenues	42,428,189	2,042,296	9,335	428,487	44,908,307
<b>EXPENDITURES</b>					
Current:					
Regular instruction	13,827,871				13,827,871
Special education instruction	3,508,814	1,636,802			5,145,616
Other special instruction	770,854				770,854
School sponsored/other instructional	662,276				662,276
Support services and undistributed costs:					
Tuition	2,412,564				2,412,564
Health services	387,509				387,509
Student & instruction related services	3,483,928	405,494			3,889,422
School administrative services	1,379,738				1,379,738
General administrative services	1,120,682				1,120,682
Central services & administrative information technology	760,258				760,258
Plant operations and maintenance	2,141,377				2,141,377
Pupil transportation	1,012,812				1,012,812
Unallocated benefits	6,356,332				6,356,332
On-behalf contributions	3,412,401				3,412,401
Transfer to Charter Schools	48,351				48,351
Debt service:					
Principal				325,000	325,000
Interest and other charges				103,487	103,487
Capital outlay	1,849,700				1,849,700
Total expenditures	43,135,467	2,042,296	-	428,487	45,606,250
Excess (Deficiency) of revenues	(707,278)	-	9,335	-	(697,943)
Net change in fund balances	(707,278)	-	9,335	-	(697,943)
Fund balance—July 1	9,131,037		102,363	1	9,233,401
Fund balance—June 30	8,423,759	-	111,698	1	8,535,458

The accompanying Notes to Basic Financial Statements are an integral part of this statement.



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2014**

**Total net change in fund balances - governmental funds (from B-2)** (697,943)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(355,107)	
Depreciable Capital outlays	<u>440,734</u>	85,627

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

General Bond Obligations	325,000	
Capital Lease Obligations	<u>27,657</u>	352,657

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	47,432	
General Bond Obligations	<u>(41,949)</u>	5,483

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable	24,786
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The government funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)

Current Year Amortization	10,103
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<b>Change in net position of governmental activities</b>	<u><u>(219,287)</u></u>
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**The accompanying Notes to Basic Financial Statements are an integral part of this statement.**

## CLIFFSIDE PARK BOARD OF EDUCATION

## Statement of Net Position

## Proprietary Funds

June 30, 2014

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	136,264	65,079	201,343
Accounts receivable:			
State	4,424		4,424
Federal	62,029		62,029
Interfund	11,577		11,577
Other	71,244		71,244
Inventories	6,230		6,230
Total current assets	291,768	65,079	356,847
Noncurrent assets:			
Capital assets:			
Equipment	249,366		249,366
Less accumulated depreciation	(235,800)		(235,800)
Total capital assets (net of accumulated depreciation)	13,566		13,566
Total assets	305,334	65,079	370,413
Current Liabilities:			
Interfunds Payable		32,036	32,036
Accounts Payable	28,445		28,445
Total Liabilities	28,445	32,036	60,481
<b>NET POSITION</b>			
Invested in capital assets net of related debt	13,566		13,566
Unrestricted	263,323	33,043	296,366
Total net position	276,889	33,043	309,932

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2014**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	538,656		538,656
Daily sales - non-reimbursable programs	330,175		330,175
Program Fees		200,381	200,381
Total operating revenues	<u>868,831</u>	<u>200,381</u>	<u>1,069,212</u>
Operating expenses:			
Cost of sales	709,528		709,528
Salaries	717,100	174,296	891,396
Employee Benefits	273,815	532	274,347
Supplies and materials	65,408	3,292	68,700
Purchased Services	98,477		98,477
Depreciation expense	10,311		10,311
Repairs and other expenses	30,128		30,128
Total Operating Expenses	<u>1,904,767</u>	<u>178,120</u>	<u>2,082,887</u>
Operating income (loss)	<u>(1,035,936)</u>	<u>22,261</u>	<u>(1,013,675)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,730		16,730
Snack program	38,640		38,640
Federal sources:			
National school lunch program	697,668		697,668
Breakfast program	124,256		124,256
U.S.D.A. Commodities	58,528		58,528
Total nonoperating revenues (expenses)	<u>935,822</u>		<u>935,822</u>
Income (loss) before contributions & transfers	<u>(100,114)</u>	<u>22,261</u>	<u>(77,853)</u>
Total net position—beginning	<u>377,003</u>	<u>10,782</u>	<u>387,785</u>
Total net position—ending	<u>276,889</u>	<u>33,043</u>	<u>309,932</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2014**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	827,986	200,381	1,028,367
Payments to suppliers	(1,877,347)	(178,120)	(2,055,467)
Net cash provided by (used for) operating activities	(1,049,361)	22,261	(1,027,100)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	53,936		53,936
Federal Sources	800,143		800,143
Net cash provided by (used for) non-capital financing activities	854,079		854,079
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(3,749)		(3,749)
Net cash provided by (used for) capital and related financing activities	(3,749)		(3,749)
Net increase (decrease) in cash and cash equivalents	(199,031)	22,261	(176,770)
Balances—beginning of year	335,295	42,818	378,113
Balances—end of year	136,264	65,079	201,343
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,035,936)	22,261	(1,013,675)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,311		10,311
Food Distribution Program	58,528		58,528
(Increase) decrease in accounts receivable, net	(42,874)		(42,874)
(Increase) decrease in inventories	494		494
Increase (decrease) in accounts payable	(39,884)		(39,884)
Total adjustments	(1,049,361)	22,261	(1,027,100)
Net cash provided by (used for) operating activities	(1,049,361)	22,261	(1,027,100)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	427,577	405	426,183
Total assets	<u>427,577</u>	<u>405</u>	<u>426,183</u>
<b>LIABILITIES</b>			
Payable to student groups			125,717
Due to other funds			1,050
Due to State - Unemployment	2,623		
Payroll deductions and withholdings			299,416
Total liabilities	<u>2,623</u>	<u></u>	<u>426,183</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	424,954		
Reserved for scholarships		405	
	<u>424,954</u>	<u>405</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2014**

	<u><b>Unemployment Compensation Trust Fund</b></u>	<u><b>Scholarship and Memorial Funds</b></u>
<b>ADDITIONS</b>		
Contributions:		
Donations		12,650
Payroll withholdings	38,525	
District contributions	150,000	
Total Contributions	<u>188,525</u>	<u>12,650</u>
 <b>DEDUCTIONS</b>		
Unemployment Claims	14,172	
Scholarships awarded		14,650
Total deductions	<u>14,172</u>	<u>14,650</u>
 Change in net position	174,353	(2,000)
Net position—beginning of the year	<u>250,601</u>	<u>2,405</u>
Net position—end of the year	<u><u>424,954</u></u>	<u><u>405</u></u>

## **NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:**

The Board of Education ("Board") of the Borough of Cliffside Park School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Cliffside Park School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members and a Borough of Fairview Representative, all elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Board of Education of the Borough of Cliffside Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**PROPRIETARY FUNDS, (continued)**

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund and the After School Program.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Revenues/Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**L. Compensated Absences, (continued):**

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**M. Unearned Revenue:**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**O. Fund Balances: (continued)**

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**P. Net Position:**

Net position represent the difference between assets and deferred outflows and liabilities and deferred inflows. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Q. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**R. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**S. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were not allocated. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**U. Recent Accounting Pronouncements:**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$8,645,623 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2014, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$247,623	\$11,577	\$1,050
State Aid	451,952	4,424	456,376
Federal Aid	251,343	62,029	313,372
Other	<u>1,973,416</u>	<u>71,244</u>	<u>2,044,660</u>
Gross Receivables	2,924,334	149,274	2,815,458
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,924,334</u>	<u>\$149,274</u>	<u>\$2,815,458</u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY**

Balances due to/from other funds at June 30, 2014 consist of the following:

\$214,537	Due to the General Fund from the Special Revenue Fund for short term loans.
1,050	Due to the General Fund from the Agency Fund for cash transfers made in error.
32,036	Due to the General Fund from the After School Program for reimbursement of expenditures paid.
<u>11,577</u>	Due to the Food Service Fund from the General Fund for subsidy claims reimbursements.
<u>\$259,200</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2014</u>
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	<u>561,220</u>	<u>          </u>	<u>          </u>	<u>561,220</u>
Total capital assets not being depreciated	<u>749,888</u>	<u>          </u>	<u>          </u>	<u>749,888</u>
 Building and building improvements	12,945,374			12,945,374
Machinery and equipment	1,465,372	440,734		1,906,106
Land Improvements	<u>1,224,010</u>	<u>          </u>	<u>          </u>	<u>1,224,010</u>
Totals at historical cost	<u>15,634,756</u>	<u>440,734</u>	<u>          </u>	<u>16,075,490</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,912,269)	(187,622)		(7,099,891)
Machinery and Equipment	(1,280,022)	(167,485)		(1,447,507)
Land Improvements	<u>(1,328,236)</u>	<u>          </u>	<u>          </u>	<u>(1,328,236)</u>
Total accumulated depreciation	<u>(9,520,527)</u>	<u>(355,107)</u>	<u>          </u>	<u>(9,875,634)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>6,114,229</u>	<u>85,627</u>	<u>          </u>	<u>6,199,856</u>
Governmental activities capital assets, net	<u>6,864,117</u>	<u>85,627</u>	<u>          </u>	<u>6,949,744</u>
 Business-type activities:				
Equipment	249,117	3,749	(3,500)	249,366
Less accumulated depreciation for:				
Equipment	<u>(228,989)</u>	<u>(10,311)</u>	<u>3,500</u>	<u>(235,800)</u>
Business-type activities capital assets, net	<u>\$20,128</u>	<u>(\$6,562)</u>	<u>\$</u>	<u>\$13,566</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$85,816
Support Service:	
Student & Instruction Related Services	39,811
School Administration	560
Operations and Maintenance	1,400
Student Transportation	39,898
Unallocated Depreciation	<u>187,622</u>
Total Depreciation Expense	<u>\$355,107</u>

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

**Advance and Current Refundings of Debt**

On July 15, 2006, the District issued \$3,680,000 in School District Refunding Bonds having an interest rate of 3.50% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$3,570,000 and the total interest payments defeased was \$1,514,853. The net proceeds of \$3,735,688 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$165,688. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2014 were as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	<u>\$2,460,000</u>	<u>\$</u>	<u>\$(325,000)</u>	<u>\$2,135,000</u>	<u>\$335,000</u>
Total Bonds Payable	<u>2,460,000</u>	<u></u>	<u>(325,000)</u>	<u>2,135,000</u>	<u>335,000</u>
Other Liabilities:					
Obligations Under Capital Lease	<u>37,733</u>		<u>(27,657)</u>	<u>10,076</u>	<u>10,076</u>
Compensated Absences Payable	<u>1,331,420</u>	<u>74,044</u>	<u>(98,830)</u>	<u>1,306,634</u>	<u></u>
Total Other Liabilities	<u>1,369,153</u>	<u>74,044</u>	<u>(126,487)</u>	<u>1,316,710</u>	<u>10,076</u>
	<u>\$3,829,153</u>	<u>\$74,044</u>	<u>(\$451,487)</u>	<u>\$3,451,710</u>	<u>\$345,076</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligations bonds.

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)**

**A. Bonds Payable:, (continued)**

Outstanding bonds payable at June 30, 2014, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2014</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/2019	<u>\$2,135,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$426,524	\$335,000	\$91,524
2016	419,205	340,000	79,205
2017	414,250	350,000	64,250
2018	406,500	360,000	46,500
2019	398,250	370,000	28,250
2020	<u>389,500</u>	<u>380,000</u>	<u>9,500</u>
	<u>\$2,454,229</u>	<u>\$2,135,000</u>	<u>\$319,229</u>

**B. Capital Leases Payable:**

The District is leasing various school buses under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2014:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	<u>\$10,076</u>	<u>\$425</u>	<u>\$10,501</u>
	<u>\$10,076</u>	<u>\$425</u>	<u>\$10,501</u>

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 8. OPERATING LEASES**

The District is leasing a building in the Borough of Cliffside Park located at 247 Knox Ave for the purpose of operating the Early Childhood Center under noncancelable operating leases that expire in 2012. The District also has commitments to lease certain office equipment under operating leases that expire in 2016 and computer equipment that expire in 2015. Total operating lease payments made during the year ended June 30, 2014 were \$254,387. Future minimum lease payments are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2015	\$208,928
2016	96,868
2017	15,473
2018	<u>7,149</u>
	<u>\$328,418</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 9. PENSION PLANS, (continued)**

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/14	\$413,213
6/30/13	438,177
6/30/12	476,922

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 9. PENSION PLANS, (continued)**

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	Post- Retirement <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/14	\$702,292	\$1,253,133	\$61,989
6/30/13	1,123,492	1,337,226	59,111
6/30/12	529,324	1,178,269	56,804

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$2,017,414 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,394,987 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

**Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 9. PENSION PLANS, (continued)**

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	GALIC
Oppenheimer Funds	Security Benefit
First Investors	VALIC
MetLife	

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the

State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$150,000	\$38,525	\$14,172	\$424,954
2012-2013	140,000	55,080	24,005	250,601
2011-2012	40,000	32,180	143,713	79,526

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Cliffside Park Board of Education by inclusion of \$200,000 on June 24, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$4,210,374 in the capital reserve account at June 30, 2014.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, June 30, 2013	\$2,569,187
Deposits:	
Board Resolution - June 26, 2014	550,000
Interest Earnings	1,187
Budget Appropriations	<u>(360,000)</u>
Ending balance, June 30, 2014	<u>\$2,760,374</u>

**NOTE 14. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$8,423,759 General Fund fund balance at June 30, 2014, \$583,942 is reserved for encumbrances; \$4,413,077 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$2,336,703 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$2,760,374 has been reserved in the Capital Reserve Account; \$49,979 has been appropriated and included as anticipated revenue for the year ended June 30, 2015; and \$616,387 is unreserved and undesignated.

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$4,413,077 of which \$2,336,703 is the result of current year operations.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 16. INVENTORY**

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$4,531
Supplies	<u>1,699</u>
	<u>\$6,230</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 17. CONTINGENT LIABILITIES**

Management is not aware of any other material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**NOTE 18. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through October 20, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	28,988,330		28,988,330	28,988,330	
Tuition	5,843,886		5,843,886	5,626,526	(217,360)
Transportation Fees from Other LEAs	308,462		308,462	290,586	(17,876)
Interest Earned on Capital Reserve Funds	3,000		3,000	1,187	(1,813)
Unrestricted Miscellaneous Revenues	120,000		120,000	180,050	60,050
<b>Total - Local Sources</b>	<u>35,263,678</u>		<u>35,263,678</u>	<u>35,086,679</u>	<u>(176,999)</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,350,696		1,350,696	1,350,696	
Equalization Aid	1,544,866		1,544,866	1,544,866	
Categorical Security Aid	358,736		358,736	358,736	
Categorical Transportation Aid	32,152		32,152	32,152	
Extraordinary Aid	230,000		230,000	313,223	83,223
Other State Aid	268,344		268,344	268,344	
Reimbursed TPAF Social Security				1,394,987	1,394,987
On-behalf TPAF Postretirement Medical Cont.				1,253,133	1,253,133
On-behalf TPAF Pension and					
Non-contributory Insurance Contributions				764,281	764,281
<b>Total - State Sources</b>	<u>3,784,794</u>		<u>3,784,794</u>	<u>7,280,418</u>	<u>3,495,624</u>
Medicaid Administrative Claiming (MAC)				8,731	8,731
Special Education Medicaid Initiative	58,200		58,200	55,614	(2,586)
<b>Total - Federal Sources</b>	<u>58,200</u>		<u>58,200</u>	<u>64,345</u>	<u>6,145</u>
<b>TOTAL REVENUES</b>	<u>39,106,672</u>		<u>39,106,672</u>	<u>42,431,442</u>	<u>3,324,770</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	635,570		635,570	626,394	9,176
Grades 1-5 - Salaries of Teachers	3,502,544	(28,903)	3,473,641	3,336,737	136,904
Grades 6-8 - Salaries of Teachers	2,115,500	22,936	2,138,436	2,118,041	20,395
Grades 9-12 - Salaries of Teachers	6,157,766	44,678	6,202,444	6,190,826	11,618
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	49,975	(15,575)	34,400	34,400	
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	379,251	(55,370)	323,881	323,880	1
Other Purchased Services (400-500 series)	380,000	54,021	434,021	383,564	50,457
General Supplies	457,864	(10,951)	446,913	364,575	82,338
Textbooks	274,686	(943)	273,743	245,241	28,502
Other Objects	373,960	(109,964)	263,996	204,213	59,783
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>14,327,116</u>	<u>(100,071)</u>	<u>14,227,045</u>	<u>13,827,871</u>	<u>399,174</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	427,600	254,985	682,585	682,585	
Other Salaries for Instruction	108,470	129,678	238,148	238,147	1
General Supplies	8,910	109	9,019	8,920	99
<b>Total Learning and/or Language Disabilities</b>	<u>544,980</u>	<u>384,772</u>	<u>929,752</u>	<u>929,652</u>	<u>100</u>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	175,775	(44,077)	131,698	131,675	23
Other Salaries for Instruction	88,615	(31,726)	56,889	56,865	24
<b>Total Behavioral Disabilities</b>	<u>264,390</u>	<u>(75,803)</u>	<u>188,587</u>	<u>188,540</u>	<u>47</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	307,060	(97,920)	209,140	209,140	
Other Salaries for Instruction	162,187	(39,099)	123,088	123,087	1
<b>Total Multiple Disabilities</b>	<u>469,247</u>	<u>(137,019)</u>	<u>332,228</u>	<u>332,227</u>	<u>1</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,136,250	(44,034)	1,092,216	1,092,215	1
Other Salaries for Instruction	236,130	(28,092)	208,038	208,037	1
General Supplies	1,000	(409)	591	198	393
<b>Total Resource Room/Resource Center</b>	<u>1,373,380</u>	<u>(72,535)</u>	<u>1,300,845</u>	<u>1,300,450</u>	<u>395</u>
<b>Autism</b>					
Salaries of Teachers	262,400	(55,100)	207,300	203,450	3,850
Other Salaries for Instruction	153,580	5,700	159,280	159,279	1
<b>Total Autism</b>	<u>415,980</u>	<u>(49,400)</u>	<u>366,580</u>	<u>362,729</u>	<u>3,851</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	185,605	24,025	209,630	209,629	1
Other Salaries for Instruction	172,337	13,250	185,587	185,587	
<b>Total Preschool Disabilities - Full-Time</b>	<b>357,942</b>	<b>37,275</b>	<b>395,217</b>	<b>395,216</b>	<b>1</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,425,919</b>	<b>87,290</b>	<b>3,513,209</b>	<b>3,508,814</b>	<b>4,395</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	804,575	(17,764)	786,811	770,485	16,326
General Supplies	500		500	369	131
<b>Total Bilingual Education - Instruction</b>	<b>805,075</b>	<b>(17,764)</b>	<b>787,311</b>	<b>770,854</b>	<b>16,457</b>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	252,800		252,800	147,405	105,395
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>252,800</b>		<b>252,800</b>	<b>147,405</b>	<b>105,395</b>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	250,000	79,784	329,784	329,783	1
Supplies and Materials	98,200	32,488	130,688	130,088	600
Transfers to Cover Deficit (Agency Funds)	103,530	(48,530)	55,000	55,000	
<b>Total School-Sponsored Athletics - Instruction</b>	<b>451,730</b>	<b>63,742</b>	<b>515,472</b>	<b>514,871</b>	<b>601</b>
<b>TOTAL INSTRUCTION</b>	<b>19,262,640</b>	<b>33,197</b>	<b>19,295,837</b>	<b>18,769,815</b>	<b>526,022</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular					
Tuition to Other LEAs Within the State - Special	428,051	363,618	791,669	784,765	6,904
Tuition to County Voc. School Dist. - Regular	520,400		520,400	479,971	40,429
Tuition to County Voc. School Dist. - Special	90,720	7,200	97,920	97,920	
Tuition to CSSD & Regional Day Schools	1,065,700	(7,200)	1,058,500	941,700	116,800
Tuition to Private Schools for the Handicapped - Within State	965,611	(279,633)	685,978	76,843	609,135
Tuition - State Facilities	60,000	(144)	59,856	31,365	28,491
<b>Total Undistributed Expenditures - Instruction:</b>	<b>3,130,482</b>	<b>83,841</b>	<b>3,214,323</b>	<b>2,412,564</b>	<b>801,759</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	382,500		382,500	374,468	8,032
Supplies and Materials	7,000	6,261	13,261	13,041	220
<b>Total Undistributed Expenditures - Health Services</b>	<b>389,500</b>	<b>6,261</b>	<b>395,761</b>	<b>387,509</b>	<b>8,252</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	359,100	2,800	361,900	361,900	
Purchased Prof. Services-Educational Services	1,600	3,650	5,250	5,250	
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	<b>360,700</b>	<b>6,450</b>	<b>367,150</b>	<b>367,150</b>	
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	874,375	23,050	897,425	897,425	
Salaries of Secretarial and Clerical Assistants	66,082	10,499	76,581	76,580	1
<b>Total Undist. Expend. - Guidance</b>	<b>940,457</b>	<b>33,549</b>	<b>974,006</b>	<b>974,005</b>	<b>1</b>
<b>Undist. Expend. - Other Supp. Child Study Teams</b>					
Salaries of Other Professional Staff	752,025	28,202	780,227	780,227	
Salaries of Secretarial and Clerical Assistants	114,348	22,048	136,396	136,395	1
Other Purchased Professional and Technical Services	1,248,311	(15,800)	1,232,511	980,912	251,599
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	<b>2,114,684</b>	<b>34,450</b>	<b>2,149,134</b>	<b>1,897,534</b>	<b>251,600</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	250,225		250,225	194,040	56,185
Supplies and Materials	32,500	1,411	33,911	27,249	6,662
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>282,725</b>	<b>1,411</b>	<b>284,136</b>	<b>221,289</b>	<b>62,847</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	60,020	(20)	60,000	17,160	42,840
Other Purchased Services (400-500 series)	50,000	(10,983)	39,017	6,790	32,227
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>110,020</b>	<b>(11,003)</b>	<b>99,017</b>	<b>23,950</b>	<b>75,067</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	300,587	3,882	304,469	304,469	
Legal Services	90,400	(24,271)	66,129	61,668	4,461
Audit Fees	46,000	41,752	87,752	43,938	43,814
Other Purchased Professional Services	37,500	8,750	46,250	46,250	
Purchased Technical Services	58,690	(5,000)	53,690	42,811	10,879
Communications/Telephone	220,399	(41,900)	178,499	106,828	71,671
BOE Other Purchased Services	3,500	(190)	3,310		3,310
Other Purch Services (400-500 Series)	378,860	56,131	434,991	433,126	1,865
Judgements against the School District	50,000		50,000	43,696	6,304
Misc. Expenditures	100,584	(18,530)	82,054	37,896	44,158
BOE Membership Dues and Fees	3,030	(1,417)	1,613		1,613
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>1,289,550</b>	<b>19,207</b>	<b>1,308,757</b>	<b>1,120,682</b>	<b>188,075</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,063,581	(48,120)	1,015,461	1,002,011	13,450
Salaries of Secretarial and Clerical Assistants	338,622	35,509	374,131	374,131	
Other Objects	10,500	(451)	10,049	3,596	6,453
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>1,412,703</b>	<b>(13,062)</b>	<b>1,399,641</b>	<b>1,379,738</b>	<b>19,903</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	337,685	(290)	337,395	326,911	10,484
Misc. Expenditures	38,000	3,294	41,294	41,293	1
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>375,685</b>	<b>3,004</b>	<b>378,689</b>	<b>368,204</b>	<b>10,485</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	224,500		224,500	211,200	13,300
Supplies and Materials	110,000		110,000	87,170	22,830
Other Objects	150,000	(5,968)	144,032	93,684	50,348
<b>Total Undist. Expend. - Support Serv. - Administrative</b>	<b>484,500</b>	<b>(5,968)</b>	<b>478,532</b>	<b>392,054</b>	<b>86,478</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	700		700		700
Cleaning, Repair and Maintenance Services	211,718	927	212,645	194,324	18,321
General Supplies	14,500	11,263	25,763	22,129	3,634
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<b>226,918</b>	<b>12,190</b>	<b>239,108</b>	<b>216,453</b>	<b>22,655</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	1,067,134	4,877	1,072,011	1,072,010	1
Cleaning, Repair and Maintenance Services	159,866	(8,238)	151,628	124,664	26,964
Insurance	270,000	(169,215)	100,785	100,289	496
General Supplies	180,420	(52,890)	127,530	123,275	4,255
Energy (Energy and Electricity)	325,238	(118,238)	207,000	190,996	16,004
Energy (Natural Gas)	200,000	115,569	315,569	256,784	58,785
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>2,202,658</b>	<b>(228,135)</b>	<b>1,974,523</b>	<b>1,868,018</b>	<b>106,505</b>
<b>Undist. Expend. - Security</b>					
Purchased Professional and Technical Services	50,000		50,000	50,000	
General Supplies	50,000	(3,055)	46,945	6,906	40,039
<b>Total Undist. Expend. - Security</b>	<b>100,000</b>	<b>(3,055)</b>	<b>96,945</b>	<b>56,906</b>	<b>40,039</b>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	233,849	24,691	258,540	258,540	
Salaries for Pupil Trans (Bet. Home & Sch. ) - Sp Ed	384,084	41,764	425,848	425,848	
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	75,000	(22,875)	52,125	50,716	1,409
Cleaning, Repair and Maintenance Services	90,559	58,142	148,701	143,652	5,049
Lease Purchase Payments - School Buses	30,000	(578)	29,422	29,422	
Contract Services (Sp. Ed. Students)-Joint Agreements	40,000	(31,724)	8,276	8,276	
Misc. Purchased Services - Transportation	45,000	(45,000)			
General Supplies	105,000	3,243	108,243	96,358	11,885
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>1,003,492</b>	<b>27,663</b>	<b>1,031,155</b>	<b>1,012,812</b>	<b>18,343</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	510,977		510,977	490,312	20,665
T.P.A.F. Contributions - ERIP	1,150		1,150		1,150
Other Retirement Contributions-PERS	500,000		500,000	413,213	86,787
Unemployment Compensation	180,000	(19,809)	160,191	8,857	151,334
Workmen's Compensation	287,350	29,057	316,407	295,452	20,955
Health Benefits	6,045,936	(9,248)	6,036,688	5,096,473	940,215
Other Employee Benefits	100,000		100,000	52,025	47,975
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,625,413</b>		<b>7,625,413</b>	<b>6,356,332</b>	<b>1,269,081</b>
Reimbursed TPAF Social Security				1,394,987	(1,394,987)
On-behalf TPAF Postretirement Medical Cont.				1,253,133	(1,253,133)
On-behalf TPAF Pension and					
Non-contributory Insurance Contributions				764,281	(764,281)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>3,412,401</b>	<b>(3,412,401)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,625,413</b>		<b>7,625,413</b>	<b>9,768,733</b>	<b>(2,143,320)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>22,049,487</b>	<b>(33,197)</b>	<b>22,016,290</b>	<b>22,467,601</b>	<b>(451,311)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>41,312,127</b>		<b>41,312,127</b>	<b>41,237,416</b>	<b>74,711</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
School Buses-Special	269,685	(76,079)	193,606	189,236	4,370
<b>Total Undist. Expend.</b>	<u>269,685</u>	<u>(76,079)</u>	<u>193,606</u>	<u>189,236</u>	<u>4,370</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	113,125	(5,015)	108,110	44,667	63,443
Construction Services HS	1,550,085	53,370	1,603,455	1,574,472	28,983
Assessment for Debt Service on SDA Funding	6,801	27,724	34,525	41,325	(6,800)
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,670,011</u>	<u>76,079</u>	<u>1,746,090</u>	<u>1,660,464</u>	<u>85,626</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,939,696</u>		<u>1,939,696</u>	<u>1,849,700</u>	<u>89,996</u>
Transfer of Funds to Charter Schools	52,565		52,565	48,351	4,214
<b>TOTAL EXPENDITURES</b>	<u>43,304,388</u>		<u>43,304,388</u>	<u>43,135,467</u>	<u>168,921</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,197,716)</u>		<u>(4,197,716)</u>	<u>(704,025)</u>	<u>3,493,691</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(4,197,716)</u>		<u>(4,197,716)</u>	<u>(704,025)</u>	<u>3,493,691</u>
<b>Fund Balance, July 1</b>	<u>9,389,081</u>		<u>9,389,081</u>	<u>9,389,081</u>	
<b>Fund Balance, June 30</b>	<u>5,191,365</u>		<u>5,191,365</u>	<u>8,685,056</u>	<u>3,493,691</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(1,912,978)		(1,912,978)	(1,912,978)	
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve	3,000		3,000	1,187	(1,813)
Withdrawal from Capital Reserve	(360,000)		(360,000)	(360,000)	
Budgeted Fund Balance	<u>(1,927,738)</u>		<u>(1,927,738)</u>	<u>1,567,766</u>	<u>3,495,504</u>
	<u>(4,197,716)</u>		<u>(4,197,716)</u>	<u>(704,025)</u>	<u>3,493,691</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Legally Restricted - Excess Surplus				2,076,374	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,336,703	
Capital Reserve				2,760,374	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				583,942	
Designated for Subsequent Year's Expenditures				49,979	
Unassigned Fund Balance				877,684	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>8,685,056</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				261,297	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>8,423,759</u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	306,568	33,277	339,845	338,887	(958)
Federal Sources	731,496	1,140,212	1,871,708	1,689,213	(182,495)
<b>Total Revenues</b>	<b>1,038,064</b>	<b>1,173,489</b>	<b>2,211,553</b>	<b>2,028,100</b>	<b>(183,453)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	204,968	605,596	810,564	730,650	79,914
Other Salaries for Instruction	44,609	-	44,609	44,609	-
Purchased Professional and Technical Services	72,450	38,336	110,786	94,565	16,221
Other Purchased Services (400-500 series)	337,500	209,213	546,713	498,024	48,689
General Supplies	170,446	74,466	244,912	243,990	922
Other Objects	-	800	800	800	-
<b>Total instruction</b>	<b>829,973</b>	<b>928,411</b>	<b>1,758,384</b>	<b>1,612,638</b>	<b>145,746</b>
<b>Support services:</b>					
Salaries of Program Directors	19,173	-	19,173	19,173	-
Salaries of Other Professional Staff	-	105,165	105,165	96,104	9,061
Salaries of Secretarial and Clerical Assistants	7,230	-	7,230	7,230	-
Other Salaries	30,688	-	30,688	30,688	-
Personal Services - Employee Benefits	-	149,153	149,153	124,939	24,214
Other Purchased Professional Services	14,000	33,869	47,869	47,869	-
Travel	-	2,881	2,881	2,881	-
Other Purchased Services (400-500 series)	73,000	(46,194)	26,806	22,374	4,432
Supplies & Materials	64,000	204	64,204	64,204	-
<b>Total support services</b>	<b>208,091</b>	<b>245,078</b>	<b>453,169</b>	<b>415,462</b>	<b>37,707</b>
<b>Total Expenditures</b>	<b>1,038,064</b>	<b>1,173,489</b>	<b>2,211,553</b>	<b>2,028,100</b>	<b>183,453</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**Fiscal Year Ended June 30, 2014**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	42,431,442	2,028,100
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			90,171
Current Year			(75,975)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		258,044	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(261,297)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>42,428,189</u>	<u>2,042,296</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	43,135,467	2,028,100
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			90,171
Current Year			(75,975)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>43,135,467</u>	<u>2,042,296</u>

**SPECIAL REVENUE FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2014**

	Total							
	Brought Forward (Ex. E-1a)	NCLB Title I	IDEA Part - B Basic	IDEA Part - B Preschool	Title II, Part A Training & Recruiting	NCLB Title III	NCLB Title III - Immigrant	Totals 2014
REVENUES								
State Sources	338,887		483,860	13,662	61,351	67,297	5,793	338,887
Federal Sources	534,827	522,423						1,689,213
Total Revenues	873,714	522,423	483,860	13,662	61,351	67,297	5,793	2,028,100
EXPENDITURES:								
Instruction:								
Salaries of Teachers	491,947	212,552				22,500	3,651	730,650
Other Salaries for Instruction	44,609							44,609
Purchased Professional and Technical Services	94,565			13,662				94,565
Other Purchased Services (400-500 series)	502		483,860		36,205	37,076		498,024
General Supplies	18,742	151,967						243,990
Other Objects	800							800
Total instruction	651,165	364,519	483,860	13,662	36,205	59,576	3,651	1,612,638
Support services:								
Salaries of Program Directors	19,173							19,173
Salaries of Other Professional Staff	82,108	11,356			2,640			96,104
Salaries of Secretarial and Clerical Assistants	7,230							7,230
Other Salaries	30,688					7,721	2,142	30,688
Personal Services - Employee Benefits	46,650	68,426			369			124,939
Other Purchased Professional Services	31,000	16,500						47,869
Travel	2,881							2,881
Other Purchased Services (400-500 series)	2,819	12,000			7,555			22,374
Supplies & Materials	-	49,622			14,582			64,204
Total support services	222,549	157,904	-	-	25,146	7,721	2,142	415,462
Total Expenditures	873,714	522,423	483,860	13,662	61,351	67,297	5,793	2,028,100
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2014**

	ELAM	21st Century Community Learning	Nonpublic - Technology	Nonpublic - Textbooks	Preschool Education Aid	Total Carried Forward
<b>REVENUES</b>						
State Sources	51,545	483,282	175	274	338,438	338,887
Federal Sources						534,827
<b>Total Revenues</b>	<b>51,545</b>	<b>483,282</b>	<b>175</b>	<b>274</b>	<b>338,438</b>	<b>873,714</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers		255,209			236,738	491,947
Other Salaries for Instruction		94,565			44,609	44,609
Purchased Professional and Technical Services		502				94,565
Other Purchased Services (400-500 series)		12,502	175	274		502
General Supplies	5,791	800				18,742
Other Objects						800
<b>Total instruction</b>	<b>5,791</b>	<b>363,578</b>	<b>175</b>	<b>274</b>	<b>281,347</b>	<b>651,165</b>
<b>Support services:</b>						
Salaries of Program Directors					19,173	19,173
Salaries of Other Professional Staff	36,000	46,108				82,108
Salaries of Secretarial and Clerical Assistants					7,230	7,230
Other Salaries					30,688	30,688
Personal Services - Employee Benefits	2,754	43,896				46,650
Other Purchased Professional Services	7,000	24,000				31,000
Travel		2,881				2,881
Other Purchased Services (400-500 series)		2,819				2,819
Supplies & Materials						-
<b>Total support services</b>	<b>45,754</b>	<b>119,704</b>	<b>-</b>	<b>-</b>	<b>57,091</b>	<b>222,549</b>
<b>Total Expenditures</b>	<b>51,545</b>	<b>483,282</b>	<b>175</b>	<b>274</b>	<b>338,438</b>	<b>873,714</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2014**

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	236,776	236,738	38
Other salaries for instruction	44,609	44,609	
<b>Total instruction</b>	<u>281,385</u>	<u>281,347</u>	<u>38</u>
<b>Support services:</b>			
Salaries of Program Directors	19,173	19,173	
Salaries of Secr. and Clerical Assistants	7,230	7,230	
Other Salaries	30,688	30,688	
<b>Total support services</b>	<u>57,091</u>	<u>57,091</u>	
<b>Total expenditures</b>	<u>338,476</u>	<u>338,438</u>	<u>38</u>

<u>Summary of Location Totals</u>	
Total revised 2013-14 Preschool Education Aid	306,568
Add: Actual Preschool Education Aid Carryover (June 30, 2013)	97,037
Add: Budgeted Transfer from the General Fund 2013-14	
Total Preschool Education Aid Funds Available for 2013-14 Budget	<u>403,605</u>
Less: 2013-14 Budgeted Preschool Education Aid	
(prior year budgeted carryover)	<u>338,476</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	<u>65,129</u>
Add: June 30, 2013 Unexpended Preschool Education Aid	<u>38</u>
2013-14 Carryover - Preschool Education Aid/Preschool	<u>65,167</u>

**CAPITAL PROJECTS FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Fiscal Year Ended June 30, 2014**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	<hr/>
	-
	<hr/>

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	<hr/>
Total expenditures	-
	<hr/>

Excess (deficiency) of revenues over (under) expenditures -

**Other Finance Sources (Uses)**

Transfers out	<hr/>
Total other financing sources (uses)	<hr/>

Net change in fund balance -

Fund balance - beginning 149,923

Fund balance - ending 149,923

**Recapitulation:**

Unrestricted Fund Balance 149,923

**Reconciliation to Governmental Funds Statements (GAAP):**

SDA Grant Receivable not Recognized on GAAP Basis (38,225)

Fund Balance per Governmental Funds 111,698

CLIFFSIDE PARK BOARD OF EDUCATION  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis  
 Construction of Additions to School #6  
 Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers	5,400,000		5,400,000	5,400,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>5,400,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	5,368,977		5,368,977	5,400,000
Equipment purchases				
	<u>5,368,977</u>	<u>-</u>	<u>5,368,977</u>	<u>5,400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,023</u>	<u>-</u>	<u>31,023</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	7/15/1999			
Bonds authorized	5,400,000			
Bonds issued	5,400,000			
Original authorization cost	5,400,000			
Additional authorized cost				
Revised authorized cost	5,400,000			
Percentage increase over original authorized cost	-			
Percentage completion	99%			
Original target completion date	June-03			
Revised target completion date	June-03			

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Boiler Replacement**  
**Fiscal Year Ended June 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	272,048		272,048	272,048
Bond proceeds and transfers			-	
Transfers from Capital Reserve	408,072		408,072	408,072
Transfers from Capital Outlay			-	
	<u>680,120</u>	<u>-</u>	<u>680,120</u>	<u>680,120</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	561,220		561,220	680,120
Equipment purchases				
	<u>561,220</u>	<u>-</u>	<u>561,220</u>	<u>680,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,900</u>	<u>-</u>	<u>118,900</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	8/6/2010			
Bonds authorized				
Bonds issued				
Original authorization cost	680,120			
Additional authorized cost				
Revised authorized cost	680,120			
Percentage increase over original authorized cost	-			
Percentage completion	83%			
Original target completion date	Oct. 2011			
Revised target completion date	Oct. 2011			

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2014**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2014
			Prior Years	Current Year	
Construction Additions to School #6	July 15, 1999	5,400,000	5,368,977		31,023
Boiler Replacement	Aug. 6, 2010	680,120	561,220		118,900
		<u>6,080,120</u>	<u>5,930,197</u>	<u>-</u>	<u>149,923</u>
Analysis					
			Project Balance - June 30, 2013		149,923
			Unfunded Authorizations		
			Fund Balance (Deficit) - June 30, 2013		<u>149,923</u>

## **PROPRIETARY FUNDS**



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	136,264	65,079	201,343
Accounts receivable:			
State	4,424		4,424
Federal	62,029		62,029
Interfund	11,577		11,577
Other	71,244		71,244
Inventories	6,230		6,230
Total current assets	<u>291,768</u>	<u>65,079</u>	<u>356,847</u>
Noncurrent assets:			
Capital assets:			
Equipment	249,366		249,366
Less accumulated depreciation	(235,800)		(235,800)
Total capital assets (net of accumulated depreciation)	<u>13,566</u>	<u>-</u>	<u>13,566</u>
Total assets	<u>305,334</u>	<u>65,079</u>	<u>370,413</u>
Current Liabilities:			
Interfunds Payable		32,036	32,036
Accounts Payable	28,445		28,445
Total Liabilities	<u>28,445</u>	<u>32,036</u>	<u>60,481</u>
<b>NET POSITION</b>			
Invested in capital assets net of related debt	13,566	-	13,566
Unrestricted	263,323	33,043	296,366
Total net position	<u>276,889</u>	<u>33,043</u>	<u>309,932</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2014**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	538,656		538,656
Daily sales - non-reimbursable programs	330,175		330,175
Program Fees		200,381	200,381
Total operating revenues	<u>868,831</u>	<u>200,381</u>	<u>1,069,212</u>
Operating expenses:			
Cost of sales	709,528		709,528
Salaries	717,100	174,296	891,396
Employee Benefits	273,815	532	274,347
Supplies and materials	65,408	3,292	68,700
Purchased Services	98,477		98,477
Depreciation expense	10,311		10,311
Repairs and other expenses	30,128		30,128
Total Operating Expenses	<u>1,904,767</u>	<u>178,120</u>	<u>2,082,887</u>
Operating income (loss)	<u>(1,035,936)</u>	<u>22,261</u>	<u>(1,013,675)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,730		16,730
Snack program	38,640		38,640
Federal sources:			
National school lunch program	697,668		697,668
Breakfast program	124,256		124,256
U.S.D.A. Commodities	58,528		58,528
Total nonoperating revenues (expenses)	<u>935,822</u>	<u>-</u>	<u>935,822</u>
Income (loss) before contributions & transfers	<u>(100,114)</u>	<u>22,261</u>	<u>(77,853)</u>
Total net position—beginning	<u>377,003</u>	<u>10,782</u>	<u>387,785</u>
Total net position—ending	<u>276,889</u>	<u>33,043</u>	<u>309,932</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2014**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	827,986	200,381	1,028,367
Payments to suppliers	(1,877,347)	(178,120)	(2,055,467)
Net cash provided by (used for) operating activities	(1,049,361)	22,261	(1,027,100)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	53,936		53,936
Federal Sources	800,143		800,143
Net cash provided by (used for) non-capital financing activities	854,079	-	854,079
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(3,749)		(3,749)
Net cash provided by (used for) capital and related financing activities	(3,749)	-	(3,749)
Net increase (decrease) in cash and cash equivalents	(199,031)	22,261	(176,770)
Balances—beginning of year	335,295	42,818	378,113
Balances—end of year	136,264	65,079	201,343
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,035,936)	22,261	(1,013,675)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,311		10,311
Food Distribution Program	58,528		58,528
(Increase) decrease in accounts receivable, net	(42,874)		(42,874)
(Increase) decrease in inventories	494		494
Increase (decrease) in accounts payable	(39,884)		(39,884)
Total adjustments	(1,049,361)	22,261	(1,027,100)
Net cash provided by (used for) operating activities	(1,049,361)	22,261	(1,027,100)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

<b>FIDUCIARY FUND</b>
-----------------------

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	427,577	405	426,183
Total assets	<u>427,577</u>	<u>405</u>	<u>426,183</u>
<b>LIABILITIES</b>			
Payable to student groups			125,717
Payable to other funds			1,050
Due to State - Unemployment	2,623		
Payroll deductions and withholdings			299,416
Total liabilities	<u>2,623</u>	<u>-</u>	<u>426,183</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	424,954		
Reserved for scholarships		405	
	<u>424,954</u>	<u>405</u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Donations		12,650
Payroll withholdings	38,525	
District contributions	150,000	
Total Contributions	<u>188,525</u>	<u>12,650</u>
 <b>DEDUCTIONS</b>		
Unemployment Claims	14,172	
Scholarships awarded		14,650
Total deductions	<u>14,172</u>	<u>14,650</u>
 Change in net position	174,353	(2,000)
Net position—beginning of the year	250,601	2,405
Net position—end of the year	<u><u>424,954</u></u>	<u><u>405</u></u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Elementary Schools:				
School #3	15,589	28,574	25,521	18,642
School #4	6,881	24,055	26,129	4,807
School #5	6,580	8,506	9,109	5,977
School #6	2,977	4,606	3,821	3,762
	<u>32,027</u>	<u>65,741</u>	<u>64,580</u>	<u>33,188</u>
Total Elementary Schools				
Middle School:				
School #6 - Middle	4,887	17,904	17,795	4,996
Student Council	603	22,038	21,754	887
	<u>5,490</u>	<u>39,942</u>	<u>39,549</u>	<u>5,883</u>
Total Middle Schools				
High School:				
High School	51,930	182,394	157,920	76,404
Athletic	11,431	68,168	74,023	5,576
Project Graduation	3,013	33,098	31,445	4,666
	<u>66,374</u>	<u>283,660</u>	<u>263,388</u>	<u>86,646</u>
Total High Schools				
Total All Schools	<u>103,891</u>	<u>389,343</u>	<u>367,517</u>	<u>125,717</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Net Payroll	-	14,866,123	14,866,123	-
Payroll Deductions and Withholdings	288,464	13,501,653	13,490,701	299,416
Due to Other Funds	<u>69,768</u>	<u></u>	<u>68,718</u>	<u>1,050</u>
	<u>358,232</u>	<u>28,367,776</u>	<u>28,425,542</u>	<u>300,466</u>



## **LONG-TERM DEBT**

CLIFFSIDE PARK BOARD OF EDUCATION  
General Long-Term Debt Account Group  
Schedule of Serial Bonds Payable  
Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>				
School District Bonds Refunding - 2006	July 15, 2006	3,680,000	7/15/2014	335,000	3.65	2,460,000	325,000	2,135,000
			7/15/2015	340,000	3.65			
			7/15/2016	350,000	3.65			
			7/15/2017	360,000	5.00			
			7/15/2018	370,000	5.00			
			7/15/2019	380,000	5.00			
						<u>\$ 2,460,000</u>	<u>325,000</u>	<u>2,135,000</u>

CLIFFSIDE PARK BOARD OF EDUCATION  
General Long-Term Debt Account Group  
Schedule of Capital Leases Payable  
Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
		<u>Date</u>	<u>Amount</u>				
2010 54 Passenger Bus	85,695				17,984	17,984	
2010 24 Passenger Bus	48,400	7/15/2014	10,076	4.20%	19,749	9,673	10,076
					<u>\$ 37,733</u>	<u>27,657</u>	<u>10,076</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	423,870	-	423,870	423,870	-
State Sources:					
Debt Service Aid Type II	4,617	-	4,617	4,617	-
Total - State Sources	4,617	-	4,617	4,617	-
<b>Total Revenues</b>	<b>428,487</b>	<b>-</b>	<b>428,487</b>	<b>428,487</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	103,488	-	103,488	103,487	(1)
Redemption of Principal	325,000	-	325,000	325,000	-
Total Regular Debt Service	428,488	-	428,488	428,487	(1)
<b>Total expenditures</b>	<b>428,488</b>	<b>-</b>	<b>428,488</b>	<b>428,487</b>	<b>(1)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	-	1
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	-	(1)	-	1
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	-	-	-	1	1
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>1</b>
Budgeted Fund Balance					

## STATISTICAL SECTION

## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

#### **Financial Trends**

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#### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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#### **Debt Capacity**

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#### **Demographic and Economic Information**

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- J-16 Full-time Equivalent District Employees by Function/Program
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## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 3,715,088	\$ 3,873,386	\$ 3,766,968	\$ 3,504,723	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	\$ 4,179,066	\$ 4,275,454	\$ 4,723,841
Restricted		10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736
Unrestricted	(129,105)	165,291	837,425	1,361,376	(323,165)	(1,069,576)	(332,676)	(516,963)	(636,513)	(722,861)
<b>Total governmental activities net position</b>	<b>\$ 3,585,983</b>	<b>\$ 4,038,687</b>	<b>\$ 4,658,504</b>	<b>\$ 5,204,787</b>	<b>\$ 5,500,137</b>	<b>\$ 4,792,376</b>	<b>\$ 7,137,663</b>	<b>\$ 8,463,380</b>	<b>\$ 12,130,003</b>	<b>\$ 11,910,716</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 3,315			\$ 4,068	\$ 5,234	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566
Restricted										
Unrestricted	31,989	172,280	135,833	67,314	68,999	77,074	273,330	436,810	367,657	296,366
<b>Total business-type activities net position</b>	<b>\$ 35,304</b>	<b>\$ 172,280</b>	<b>\$ 135,833</b>	<b>\$ 71,382</b>	<b>\$ 74,233</b>	<b>\$ 126,020</b>	<b>\$ 311,648</b>	<b>\$ 464,499</b>	<b>\$ 387,785</b>	<b>\$ 309,932</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 3,718,403	\$ 3,873,386	\$ 3,766,968	\$ 3,508,791	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	\$ 4,206,755	\$ 4,295,582	\$ 4,737,407
Restricted	-	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736
Unrestricted	(97,116)	337,571	973,258	1,428,690	(254,166)	(992,502)	(59,346)	(80,153)	(268,856)	(426,495)
<b>Total district net position</b>	<b>\$ 3,621,287</b>	<b>\$ 4,210,967</b>	<b>\$ 4,794,337</b>	<b>\$ 5,276,169</b>	<b>\$ 5,574,370</b>	<b>\$ 4,918,396</b>	<b>\$ 7,449,311</b>	<b>\$ 8,927,879</b>	<b>\$ 12,517,788</b>	<b>\$ 12,220,648</b>

Source: CAFR Schedule A-1



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 16,436,559	\$ 17,199,226	\$ 18,303,906	\$ 16,839,644	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,971,833	\$ 17,888,947	\$ 17,227,778
Special education	5,073,181	5,738,920	6,223,934	3,363,762	3,787,841	3,800,012	4,075,643	4,667,377	4,523,963	6,063,910
Other special education	871,801	1,048,032	779,957	611,346	625,896	887,456	751,847	804,050	793,949	973,023
Other instruction	1,119,003	894,939	842,381	844,526	965,266	734,748	730,640	562,083	704,952	787,487
Support Services:										
Tuition				2,054,178	1,958,454	1,891,441	1,662,115	1,552,981	1,660,412	2,412,564
Student & instruction related services	3,723,210	4,048,070	4,466,064	4,866,404	4,286,179	4,761,630	4,600,551	4,368,088	4,373,317	5,056,961
General administrative services	885,260	973,848	1,063,066	877,259	945,280	1,683,523	1,336,229	1,301,866	1,206,620	1,200,572
School administrative services	1,397,049	1,632,440	1,852,429	1,693,371	1,924,975	1,251,075	2,037,280	2,016,562	1,774,397	1,741,387
Central services and administrative information technology	473,188	395,010	554,673	579,607	589,144	628,335	658,999	727,758	774,908	901,454
Business administrative services										
Plant operations and maintenance	2,404,596	2,946,820	3,156,552	2,938,403	3,333,162	3,104,869	2,934,424	2,510,835	2,674,999	2,424,064
Pupil transportation	683,775	799,673	778,549	943,570	932,372	1,038,296	1,103,550	1,047,315	1,090,420	1,217,939
Unallocated Benefits				2,458,264	2,362,021	3,432,153	2,364,279	2,974,168	4,036,579	3,387,615
Charter Schools							11,177	30,224	51,535	48,351
Interest on long-term debt	238,294	224,624	282,043	243,087	151,407	139,132	127,668	120,544	109,596	98,004
Unallocated depreciation				258,335	254,233	337,078	294,713	295,163	299,391	177,519
Capital Outlay - nondepreciable				55,255	-	513,578	260,034	144,431	5,200	1,408,966
Total governmental activities expenses	33,305,916	35,901,602	38,303,554	38,627,011	39,617,069	41,824,392	40,693,861	41,095,278	41,969,185	45,127,594
Business-type activities:										
Food service	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,383,115	1,436,373	1,823,487	1,904,767
After School Program	-	-	-	-	-	-	177,538	280,725	173,750	178,120
Academy School										
Total business-type activities expense	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,560,653	1,717,098	1,997,237	2,082,887
Total district expenses	\$ 34,215,347	\$ 36,749,613	\$ 39,367,495	\$ 39,826,606	\$ 40,874,191	\$ 43,281,899	\$ 42,254,514	\$ 42,812,376	\$ 43,966,422	\$ 47,210,481
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 3,390,300	\$ 3,916,272	\$ 4,045,074	\$ 5,539,912	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 5,914,129	\$ 6,714,158	\$ 5,626,526
Pupil transportation	740,220	946,011	948,845							
Business and other support services	16,000	16,200	16,200	8,100	-	-	1,720,569	1,426,555	1,890,253	2,042,296
Operating grants and contributions	7,591,619	8,051,115	8,688,078	4,247,991	1,849,270	2,304,165	360,862	49,863	42,233	-
Capital grants and contributions		173,736	310,062	-	-	-	-	7,390,547	8,646,644	7,668,822
Total governmental activities program revenues	11,738,139	13,103,334	14,008,259	9,796,003	8,178,408	8,048,077	9,003,915			

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Charges for services										
Food service	432,602	497,839	602,942	684,899	703,926	756,143	771,777	769,016	836,286	868,831
After School Program							181,625	279,213	181,957	200,381
Academy School	399,488	437,148	424,552	450,245	556,047	753,151	792,879	821,720	902,280	935,822
Operating grants and contributions			1,027,494	1,135,144	1,259,973	1,509,294	1,746,281	1,869,949	1,920,523	2,005,034
Capital grants and contributions	832,090	934,987								
Total business-type activities program revenues	\$ 12,570,229	\$ 14,038,321	\$ 15,035,753	\$ 10,931,147	\$ 9,438,381	\$ 9,557,371	\$ 10,750,196	\$ 9,260,496	\$ 10,567,167	\$ 9,673,856
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (21,567,777)	\$ (22,798,268)	\$ (24,295,295)	\$ (28,831,008)	\$ (31,438,661)	\$ (33,776,315)	\$ (31,689,946)	\$ (33,704,731)	\$ (33,322,541)	\$ (37,458,772)
Business-type activities	(77,341)	86,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)	(77,853)
Total district-wide net expense	\$ (21,645,118)	\$ (22,711,292)	\$ (24,331,742)	\$ (28,895,459)	\$ (31,435,810)	\$ (33,724,528)	\$ (31,504,318)	\$ (33,551,880)	\$ (33,399,255)	\$ (37,536,625)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 21,222,078	\$ 22,195,851	\$ 23,525,325	\$ 24,028,200	\$ 24,989,328	\$ 25,788,901	\$ 27,336,235	\$ 27,882,960	\$ 28,419,932	\$ 28,988,330
Taxes levied for debt service	447,336	448,022	441,357	426,053	377,867	420,341	421,176	420,854	420,186	423,870
Federal and State Aid - Restricted	348,731	366,575	367,137							
Federal and State Aid - Not Restricted				4,650,550	6,215,308	5,424,373	5,590,059	6,325,802	7,466,294	7,355,462
Investment earnings	28,406	91,145	188,266		17,920					
Miscellaneous income	155,826	199,379	393,027	394,785	133,588	993,934	687,763	400,832	682,752	471,823
Transfers		(50,000)								
Total governmental activities	22,202,377	23,250,972	24,915,112	29,499,588	31,734,011	32,627,549	34,035,233	35,030,448	36,989,164	37,239,485
<b>Business-type activities:</b>										
Investment earnings										
Miscellaneous Income		50,000								
Transfers		50,000								
Total business-type activities		\$ 23,300,972	\$ 24,915,112	\$ 29,499,588	\$ 31,734,011	\$ 32,627,549	\$ 34,035,233	\$ 35,030,448	\$ 36,989,164	\$ 37,239,485
Total district-wide										
<b>Change in Net Position</b>										
Governmental activities	\$ 634,600	\$ 452,704	\$ 619,817	\$ 668,580	\$ 295,350	\$ (1,148,766)	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623	\$ (219,287)
Business-type activities	(77,341)	136,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)	(77,853)
Total district	\$ 557,259	\$ 589,680	\$ 583,370	\$ 604,129	\$ 298,201	\$ (1,096,979)	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909	\$ (297,140)

Source: CAFR Schedule A-2

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	Fiscal Year Ending June 30,		2011	2012	2013	2014
General Fund										
Reserved	\$ 235,500	\$ 248,387	\$ 446,745	\$ 1,685,611	\$ 2,233,065	\$ 1,784,563				
Unreserved	389,718	629,745	1,022,176	632,072	399,782	399,306				
Restricted							2,803,366	4,056,497	5,820,621	7,173,451
Committed							346,210	245,783		
Assigned							2,735	370,245	2,568,077	633,921
Unassigned							1,012,722	720,148	742,339	616,387
Total general fund	<u>\$ 625,218</u>	<u>\$ 878,132</u>	<u>\$ 1,468,921</u>	<u>\$ 2,317,683</u>	<u>\$ 2,632,847</u>	<u>\$ 2,183,869</u>	<u>\$ 4,165,033</u>	<u>\$ 5,392,673</u>	<u>\$ 9,131,037</u>	<u>\$ 8,423,759</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund				(32,863)						
Capital projects fund				84,587	84,587	47,351				
Debt service fund				54,101						
Unreserved	17,816	(1,395)	49,380							
Assigned, reported in:										
Special revenue fund								26,388		
Capital projects fund							118,691	102,363	102,363	111,698
Debt service fund								1	1	1
Permanent fund										
Total all other governmental funds	<u>\$ 17,816</u>	<u>\$ (1,395)</u>	<u>\$ 49,380</u>	<u>\$ 105,825</u>	<u>\$ 84,587</u>	<u>\$ 47,351</u>	<u>\$ 118,691</u>	<u>\$ 128,752</u>	<u>\$ 102,364</u>	<u>\$ 111,699</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax levy	\$ 21,669,414	\$ 22,643,873	\$ 23,966,682	\$ 24,454,253	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411	\$ 28,303,814	\$ 28,840,118	\$ 29,412,200
Tuition	4,683,184	4,862,283	4,993,919	5,539,912	6,329,138	5,743,912	6,922,484	5,914,129	6,714,158	5,626,526
Transportation	16,000	16,200	16,200	8,100	-	-	-	-	-	-
Miscellaneous	184,232	290,524	581,293	394,785	151,508	993,934	687,763	421,830	682,752	471,823
State sources	5,892,445	6,419,968	7,748,650	7,328,908	7,008,171	6,081,801	6,122,991	6,471,378	7,697,950	7,630,004
Federal sources	2,047,905	2,171,458	1,616,627	1,569,633	1,056,407	1,646,737	1,548,499	1,309,842	1,700,830	1,767,754
Total revenue	34,493,180	36,404,306	38,923,371	39,295,591	39,912,419	40,675,626	43,039,148	42,420,993	45,635,808	44,908,307
<b>Expenditures</b>										
Instruction										
Regular Instruction	16,375,914	17,184,794	18,391,821	13,920,802	13,978,849	14,106,514	13,623,401	13,848,957	14,750,608	13,827,871
Special education instruction	5,099,373	5,738,775	6,226,466	2,585,092	2,864,561	2,911,280	2,998,317	3,438,197	3,594,285	5,145,616
Other special instruction	1,108,152	1,051,850	825,254	469,649	473,370	715,984	553,109	592,390	630,857	770,854
Other instruction	854,652	897,023	843,037	695,121	784,632	566,130	577,589	445,548	590,264	662,276
Support Services:										
Tuition	3,737,385	4,047,225	4,462,377	2,054,178	1,958,454	1,891,441	1,662,115	1,940,155	1,660,412	2,412,564
Student & instruction related services	876,851	980,989	1,063,066	4,133,354	3,505,836	3,926,255	3,684,454	3,115,043	3,669,891	4,276,931
School Administrative services	1,473,942	1,603,206	1,844,181	1,297,613	1,452,067	1,593,890	1,501,419	1,488,071	1,411,946	1,379,738
General administrative services				785,851	856,452	762,244	1,230,755	1,192,744	1,126,401	1,120,682
Business and other support services										
Central services and administrative information technology	496,680	408,469	554,673	447,125	446,580	486,891	488,719	541,295	636,821	760,258
Plant operations and maintenance	2,115,420	2,624,258	2,809,298	2,553,836	2,895,927	2,676,161	2,498,369	2,113,758	2,382,366	2,141,377
Pupil transportation	680,991	796,110	764,446	690,463	758,501	918,529	920,778	870,874	928,143	1,012,812
Unallocated benefits				5,823,670	6,852,710	6,909,221	7,858,312	7,903,934	6,001,160	6,356,332
On-behalf contributions				2,337,780	2,356,734	2,545,763	2,521,679	3,077,562	3,889,672	3,412,401
Charter Schools							11,177	30,224	51,535	48,351
Capital outlay	1,059,889	354,871	187,398	165,011	186,607	741,073	934,358	159,105	174,708	1,849,700
Special Revenue Fund										
Debt service:										
Principal	255,795	275,791	312,066	260,000	280,000	280,000	290,000	300,000	310,000	325,000
Interest and other charges	244,231	228,500	164,397	170,839	157,514	145,738	135,763	125,437	114,763	103,487
Bond issuance costs			95,860							
Advance refunding excrow			165,688							
Total expenditures	34,379,275	36,191,861	38,710,028	38,390,384	39,808,794	41,177,114	41,490,314	41,183,294	41,923,832	45,606,250
Excess (Deficiency) of revenues over (under) expenditures	113,905	212,445	213,343	905,207	103,625	(501,488)	1,548,834	1,237,699	3,711,976	(697,943)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	-	71,258	166,673	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	3,680,000	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	(3,570,000)	-	-	-	-	-	-	-
Original issue premium	-	-	151,548	-	-	-	-	-	-	-
Transfers in	-	-	2,214,710	-	43,352	-	408,072	-	-	-
Transfers out	-	(50,000)	(2,214,710)	-	-	-	(408,072)	-	-	-

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total other financing sources (uses)	-	21,258	428,221	-	43,352	-	-	-	-	-
Net change in fund balances	\$ 113,905	\$ 233,703	\$ 641,564	\$ 905,207	\$ 146,977	\$ (501,488)	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976	\$ (697,943)
Debt service as a percentage of noncapital expenditures	1.5%	1.4%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%

Source: CAFR Schedule B-2

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation		Refunds	Rent	Restitution	Misc.	Total
			Fees						
2005	28,406	4,683,184	16,000					155,826	4,883,416
2006	91,145	4,862,283	16,200					199,379	5,169,007
2007	188,266	4,993,919	16,200					393,027	5,591,412
2008	107,283	5,539,912	8,100		57,414	25,000	59,400	145,688	5,942,797
2009	17,920	6,329,138	-					133,588	6,480,646
2010		5,743,912			532,227			461,707	6,737,846
2011	13,320	6,922,484	334,731		59,854	50,000		229,858	7,610,247
2012	6,193	5,914,129	290,940		55,614	10,015		38,070	6,314,961
2013	6,815	6,714,158	275,639		3,946			136,305	7,136,863
2014	4,921	5,626,526	290,586		4,049	9,787		162,480	6,098,349

Source: District Records

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2004	\$ 18,002,200	\$ 2,017,587,000	\$ 147,379,300	\$ 10,037,300	\$ 206,244,400	\$ 2,399,250,200	\$ -		\$ 2,399,250,200	0.833	\$ 2,166,522,428	110.74%
2005	\$ 15,412,600	\$ 2,034,533,200	\$ 143,532,900	\$ 9,905,100	\$ 207,879,600	\$ 2,411,263,400	\$ -		\$ 2,411,263,400	0.738	\$ 2,497,757,535	96.54%
2006	\$ 12,183,200	\$ 2,056,357,500	\$ 142,889,400	\$ 9,526,700	\$ 203,896,500	\$ 2,426,853,300	\$ -		\$ 2,426,853,300	0.959	\$ 2,860,388,344	84.84%
2007	\$ 9,532,300	\$ 2,090,836,700	\$ 141,369,500	\$ 6,232,400	\$ 205,131,300	\$ 2,433,102,200	\$ -		\$ 2,433,102,200	0.985	\$ 2,456,887,669	99.85%
2008	\$ 7,707,000	\$ 2,105,334,300	\$ 135,715,000	\$ 5,502,700	\$ 203,663,400	\$ 2,457,922,400	\$ -	\$ 3,547,308	\$ 2,461,469,708	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ 202,084,300	\$ 2,474,863,400	\$ -	\$ 4,378,933	\$ 2,479,242,333	1.091	\$ 3,543,171,341	69.97%
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ 203,430,400	\$ 2,469,463,000	\$ -	\$ 4,378,933	\$ 2,473,841,933	1.091	\$ 3,507,065,519	70.54%
2011	\$ 7,345,100	\$ 2,287,332,400	\$ 180,014,700	\$ 6,158,500	\$ 257,428,300	\$ 2,738,279,000	\$ -	\$ 7,374,071	\$ 2,745,653,071	1.020	\$ 3,267,134,590	84.04%
2012	\$ 5,250,800	\$ 2,286,922,400	\$ 177,462,000	\$ 6,158,500	\$ 256,622,900	\$ 2,732,356,600	\$ -	\$ 6,810,121	\$ 2,739,206,721	1.064	\$ 3,069,279,243	89.45%
2013	\$ 4,936,700	\$ 2,290,400,200	\$ 175,128,600	\$ 6,158,500	\$ 254,091,100	\$ 2,730,705,100	\$ -	\$ 5,714,465	\$ 2,736,419,565	1.085	\$ 2,909,085,995	94.10%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies<sup>b</sup> Tax rates are per \$100

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct	Borough of Cliffside Park	Bergen County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>				
2005	0.74		0.74	0.91	0.21	1.86
2006	0.96		0.96	0.8	0.22	1.98
2007	0.99		0.99	0.81	0.24	2.04
2008	1.01		1.01	0.83	0.27	2.114
2009	1.04		1.04	0.28	0.88	2.203
2010	1.08	0.01	1.09	0.91	0.28	2.28
2011	1.00	0.02	1.02	0.85	0.23	2.093
2012	1.02	0.02	1.04	0.86	0.24	2.138
2013	1.06	0.02	1.06	0.87	0.25	2.181
2014	1.065	0.02	1.085	0.88	0.247	2.212

\* - The Borough underwent a revaluation of real property which was effective for calendar year 2004.

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .  
The levy when added to other components of the district's net budget may not exceed the  
prebudget year net budget by more than the spending growth limitation calculated as follows:  
the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater,  
plus any pending growth adjustments.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuat

**b** Rates for debt service are based on each year's requirements.



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Briarcliff Corp.	\$ 72,500,000	1	2.65%	\$ 32,500,000	1	1.35%
Palisadium Mgmt. Corp.	\$ 12,550,500	3	0.46%	\$ 5,232,700	3	0.22%
Cliff Lane/Palisade Ave, LLC	\$ 14,238,200	2	0.52%	\$ 5,492,085	2	0.23%
T&F Realty	\$ 6,250,000	4	0.23%	\$ 3,510,000	4	0.15%
Savoy Plaza	\$ 5,664,800	5	0.21%	\$ 3,412,600	5	0.14%
Carlton Corp.	\$ 4,700,500	6	0.17%	\$ 2,375,000	7	0.10%
Robert Apartments, LLC	\$ 3,375,000	7	0.12%	\$ 3,250,000	6	0.14%
Timmes Realty Assoc.	\$ 3,690,500	8	0.13%	\$ 1,985,600	8	0.08%
G&N Realty	\$ 3,300,000	9	0.12%	\$ 1,956,200	9	0.08%
319 Palisade Ave, LLC, c/o Golan, M.	\$ 3,021,200	10	0.11%	\$ 1,715,000	10	0.07%
Total	<u>\$ 129,290,700</u>		<u>4.72%</u>	<u>\$ 61,429,185</u>		<u>2.56%</u>
			Net Assessed Valuation:	\$ 2,739,206,721	\$ 2,399,250,200	

Source: Municipal Tax Assessor.

\*-No 2005 data: reevaluated/re-assessed at least 2 times since 2005; thus no records available

**Exhibit J-9**

**CLIFFSIDE PARK BOARD OF EDUCATION  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$21,669,414	\$21,669,414	100.00%	\$ -
2006	\$22,643,873	\$22,643,873	100.00%	\$ -
2007	\$23,966,682	\$23,966,682	100.00%	\$ 520,561
2008	\$24,028,200	\$24,028,200	100.00%	\$ -
2009	\$25,367,195	\$25,367,195	100.00%	\$ -
2010	\$26,209,242	\$26,209,242	100.00%	\$ -
2011	\$26,983,327	\$26,983,327	100.00%	\$ -
2012	\$28,303,814	\$28,049,175	99.10%	\$ 254,639
2013	\$28,840,118	\$28,840,118	100.00%	\$ -
2014	\$29,412,200	\$29,412,200	100.00%	\$ -

Source: Municipal Tax Collector

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2005	4,535,000	67,689	-	-	4,602,689	1.25%	\$ 57,745
2006	4,305,000	93,156	-	-	4,398,156	1.44%	\$ 63,166
2007	4,180,000	182,763	-	-	4,362,763	1.55%	\$ 67,606
2008	3,920,000	147,301	-	-	4,067,301	1.66%	\$ 67,375
2009	3,640,000	143,987	-	-	3,783,987	1.69%	\$ 63,862
2010	3,360,000	212,214	-	-	3,572,214	1.79%	\$ 63,950
2011	3,070,000	136,962	-	-	3,206,962	2.10%	\$ 67,240
2012	2,770,000	73,192	-	-	2,843,192	2.46%	\$ 69,919
2013	2,460,000	37,734	-	-	2,497,734	Not Available	Not Available
2014	2,135,000	30,230	-	-	2,165,230	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

CLIFFSIDE PARK BOARD OF EDUCATION  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2005	\$ -	-	-	0.00%	\$ -
2006	\$ -	-	-	0.00%	\$ -
2007	\$ 4,535,000	-	4,535,000	0.19%	\$ 67
2008	\$ 4,305,000	-	4,305,000	0.18%	\$ 64
2009	\$ 3,640,000	-	3,640,000	0.15%	\$ 57
2010	\$ 3,360,000	-	3,360,000	0.14%	\$ 53
2011	\$ 3,070,000	-	3,070,000	0.12%	\$ 46
2012	\$ 2,770,000	-	2,770,000	0.10%	\$ 40
2013	\$ 2,460,000	-	2,460,000	0.09%	Not Available
2014	\$ 2,135,000	-	2,135,000	Not Available	Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statement.

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit NJ J-14.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2014**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2014</b>			<b>\$ 2,135,000</b>
<b>Net overlapping debt of School District:</b>			
Borough of Cliffside Park	100.000%	\$ 41,942,519	
County of Bergen - City's Share	1.658%	\$ 14,086,487	
Bergen County Utility Authority-City's Share	3.281%	\$ 7,236,248	
<b>Subtotal, overlapping debt</b>			<b>\$ 63,265,254</b>
<b>Total direct and overlapping debt</b>			<b>\$ 65,400,254</b>

**Sources:** Borough of Cliffside Park Finance Office / Bergen County Treasurer's Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cliffside Park. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2014**

Equalized valuation basis									
	2013	\$ 2,889,246,778							
	2012	\$ 2,960,582,945							
	2011	3,497,051,576							
	[A]	\$ 9,346,881,299							
Average equalized valuation of taxable property	[A/3]	\$ 3,115,627,100							
Debt limit (4 % of average equalization value)	[B]	124,625,084	a						
Net bonded school debt	[C]	2,135,000							
Legal debt margin	[B-C]	\$ 122,490,084							

Source: Abstract of Rates and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2005	22,665	\$ 1,308,790,425	57,745	5.30%
2006	22,499	\$ 1,421,171,834	63,166	4.10%
2007	22,599	\$ 1,527,827,994	67,606	4.50%
2008	22,772	\$ 1,534,263,500	67,375	4.00%
2009	22,994	\$ 1,468,442,828	63,862	5.20%
2010	23,623	\$ 1,510,690,850	63,950	9.20%
2011	23,750	\$ 1,596,950,000	67,240	9.40%
2012	23,872	\$ 1,669,106,368	69,919	9.60%
2013	Not Available	Not Available	Not Available	8.80%
2014	Not Available	Not Available	Not Available	Not Available

**Source:**<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development<sup>b</sup> Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development<sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Principal Employers**  
**Current Year and Ten Years Ago**

2014				2005		
<u>Employer</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED  
 TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO  
 PRIVACY CONCERNS

**Source:** Borough of Cliffside Park

This schedule should include the ten largest employers, unless fewer are required to reach 50 percent of total employment.



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Nine Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction									
Regular	220	220	220	209	194	183	183	204	207
Special education	15	15	15	33	31	30	30	33	27
Support Services:									
Student & instruction related services	70	70	70	65	64	62	62	71	82
General administrative services	1	1	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7	7	7	7
Central services	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	5	5	5	5	5	5	5	5	5
Pupil transportation	32	32	32	46	46	48	48	52	52
Food Service	21	21	21	22	22	22	22	23	23
Total	<u>377</u>	<u>377</u>	<u>377</u>	<u>394</u>	<u>376</u>	<u>364</u>	<u>364</u>	<u>402</u>	<u>410</u>

**Source:** District Personnel Records

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

\*-Note: FTE calculation: EXAMPLE: 2 PART TIME = 1 FTE

\*-Instruction = teachers (222) + administrators (12) = 234 total (207 Regular, 27 Spec. Ed.)

\*-Student AND instruction related services: Aides

\*-School Admin. Svs.: principals and vice principals

\*-Central Svs. = Board office (excluding superintendent): superintendent=Gen.Admin.Svs.

\*-Plant Operations: Head Custodians

\*-Pupil Transportation includes: bus drivers, custodians, secretaries

\*-Food Service: food service workers + 4FTE lunch aides (work 2-3 hours/day)

**CLIFFSIDE PARK BOARD OF EDUCATION**  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2005	2,558.0	32,862,188	12,847	6.94%	270	1:22	1:23	1:22	2,558	2,412	-1.24%	94.29%
2006	2,606.0	35,353,445	13,566	5.60%	276	1:22	1:24	1:22	2,606	2,448	1.88%	93.94%
2007	2,572.0	37,784,619	14,691	14.35%	243	1:22	1:24	1:22	2,573	2,419	0.59%	94.01%
2008	2,587.0	37,794,534	14,609	7.69%	238	1:22	1:24	1:22	3,596	3,367	37.99%	93.63%
2009	2,661.0	39,184,350	14,725	0.24%	242	1:22	1:24	1:22	2,622	2,468	1.90%	94.13%
2010	2,772.0	40,040,303	14,445	-1.13%	225	1:22	1:24	1:22	2,708	2,558	-24.69%	94.46%
2011	2,779.0	40,130,193	14,441	-1.93%	213	1:22	1:25	1:23	2,755	2,589	5.07%	93.97%
2012	2,810.0	40,598,752	14,448	0.02%	209	1:23	1:25	1:24	2,760	2,611	1.92%	94.60%
2013	2,839.0	40,934,418	14,419	-0.15%	225	1:24	1:25	1:24	2,850	2,674	3.47%	93.80%
2014	2,901.0	43,328,063	14,936	3.59%	234	1:23	1:24	1:23	2,910	2,771	2.09%	95.22%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count for all students attending school facilities

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4, DOE Budget Report (Dist/Paid Column)
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS), J-12

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**School Building Information**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>District Buildings</b>										
<b>Elementary</b>										
School #3										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment		275	275	224	224	266	263	328	319	333
School #4										
Square Feet	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment		300	300	273	273	299	296	496	478	493
School #5										
Square Feet	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment		125	125	138	138	156	156	203	211	229
School #6										
Square Feet	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment		371	371	286	286	289	283	346	381	364
<b>Middle School</b>										
Middle School										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment		350	350	296	296	360	354	352	359	378
<b>High School</b>										
High School										
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment		1,125	1,125	1,052	1,052	1,104	1,103	1,035	1,091	1,104
<b>Other</b>										
ELC										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment		298	298	298	298	298	323			

Number of Schools at June 30, 2014

Elementary = 4

Middle School = 1

High School = 1

Other School = 0

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Fiscal Years**  
**Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	Project # (s)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ELC	N/A		77,763	74,339	37,828	22,700	12,145	16,197	-	-	
School #3	N/A	18,458	22,000	21,031	10,702	19,563	12,355	20,446	32,232	29,895	41,217
School #4	N/A	21,050	25,250	24,138	12,282	28,542	10,499	26,764	50,494	35,929	37,615
School #5	N/A	11,315	22,500	21,509	10,945	27,190	22,897	19,497	5,940	53,704	38,822
School #6	N/A	61,100	81,000	77,434	39,403	47,885	44,939	50,709	53,910	47,292	42,563
High School	N/A	104,250	110,500	105,635	39,012	32,105	42,168	25,770	45,256	54,095	56,236
Grand Total		\$ 216,173	\$ 339,013	\$ 324,086	\$ 150,172	\$ 177,985	\$ 145,003	\$ 159,383	\$ 187,832	\$ 220,915	\$ 216,453

\*-Note: 2013 - Child Study Team in School #5 start of fiscal year, moved to school #3 during fiscal year (all expenditures allocated to #5)

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2014**  
**Unaudited**

Company	Type of Coverage	Coverage	Deductible
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 400,000,000	\$ 5,000
	Comprehensive General Liability	11,000,000	
	Comprehensive Automobile Liability	11,000,000	
	Computers and schedule equipment -		
	Data Processing Equipment	2,000,000	1,000
	School Board legal liability -		
	Professional Errors and Omissions	11,000,000	10,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Treasurer	275,000	1,000
	Position Bond - Board Secretary	50,000	500
	Public Employee Dishonesty with Faithful Performance	100,000	1,000
	Flood Zones, Earthquake	50,000,000	500,000
	Terrorism	1,000,000	
	Pollution	250,000	

Source: District Records

## **SINGLE AUDIT SECTION**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and  
Members of the Board of Education  
Borough of Cliffside Park School District  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2014.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Cliffside Park Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Cliffside Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


***Compliance and Other Matters***

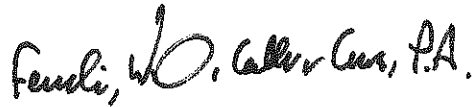
As part of obtaining reasonable assurance about whether the Borough of Cliffside Park Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Cliffside Park School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 20, 2014.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkötz, C.P.A.  
Licensed Public School Accountant  
No. 816

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 20, 2014





# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Borough of Cliffside Park School District  
County of Bergen, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Cliffside Park School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Cliffside Park Board of Education's major federal and state programs for the year ended June 30, 2014. The Borough of Cliffside Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Cliffside Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Cliffside Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Cliffside Park Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Cliffside Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Borough of Cliffside Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Cliffside Park Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park Board of Education's internal control over compliance.


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Cliffside Park Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated October 20, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

  
Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 20, 2014



CLIFFSIDE PARK  
BOARD OF EDUCATION

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education: General Fund: Medicaid Administrative Claiming (MAC) Medical Assistance Program (SEMI) Total General Fund	93.778 93.778	7/1/13 - 6/30/14 7/1/13 - 6/30/14	8,731 55,614			8,731 55,614	8,731 55,614					
						64,345	64,345					
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Title I Title I	84.010A 84.010A	7/1/13 - 6/30/14 9/1/12 - 8/31/13	396,977 449,370	(50,872) (50,872)	(50,872) 50,872	395,393 395,393	522,423 522,423	86,985 86,985		(90,917) (90,917)		
IDEA Part B IDEA Part B IDEA Part B Preschool ELAM	84.027 84.027 84.173 84.173	7/1/13 - 6/30/14 9/1/12 - 8/31/13 7/1/13 - 6/30/14 9/1/12 - 8/31/13	532,549 541,126 13,662 75,000	(151,688) (151,688)	(151,688) 151,688	501,213 13,662 36,705 351,580	483,860 13,662 51,545 549,067	1,885   1,885		(132,450)   (14,840) (147,290)		
Title II A	84.367A	7/1/13 - 6/30/14	61,582			52,326 52,326	61,351 61,351	(1,192) (1,192)		(10,217) (10,217)		
Title III Title III, Immigrant	84.365A 84.365	7/1/13 - 6/30/14 9/1/12 - 8/31/13	67,731 30,246	(24,343) (24,343)		51,214 30,142 81,356	67,297 5,793 73,090	 (6) (6)		(16,083)  (16,083)		
21st Century Community Learning Centers 21st Century Community Learning Centers	84.287C 84.287C	7/1/13 - 6/30/14 9/1/12 - 8/31/13	500,000 500,000	(39,063) (39,063)	(39,063) 39,063	473,846 473,846	483,282 483,282	(14,312) (14,312)		(62,811) (62,811)		
Race to the Top	84.413A	9/1/12 - 8/31/13	34,332	(5,457) (5,457)		5,457 5,457						
Total Special Revenue Fund				(271,423)		1,559,958	1,689,213	73,360		(327,318)		

**CLIFFSIDE PARK  
BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2014**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:												
USDA Commodities	10.565	7/1/13 - 6/30/14	\$ 58,528			58,528	58,528					
National Breakfast Program	10.553	7/1/13 - 6/30/14	124,256			113,426	124,256			(10,830)		
National Breakfast Program	10.553	7/1/12 - 6/30/13	111,513	(7,204)		7,204						
National School Lunch Program	10.555	7/1/13 - 6/30/14	697,668			646,469	697,668			(51,199)		
National School Lunch Program	10.555	7/1/12 - 6/30/13	678,745	(33,044)		33,044						
Total Enterprise Fund				(40,248)		858,671	880,452			(62,029)		
Total Federal Financial Assistance			\$	(311,671)		2,482,974	2,634,010	73,360		(389,347)		

See accompanying notes to schedules of expenditures of federal and state awards.

CLIFFSIDE PARK  
BOARD OF EDUCATION

## Schedule of Expenditures of State and Local Awards

Year ended June 30, 2014

	Balance at June 30, 2013					Balance at June 30, 2014					MEMO					
	Grant or State Project Number	State/Local Grantor/Program Title	Grant Period	Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Curvover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
General Fund:																
Equalization Aid	495-034-5120-078		7/1/13-6/30/14	1,544,866				1,283,569	1,544,866						*	1,544,866
Transportation Aid	495-034-5120-014		7/1/13-6/30/14	32,152				32,152	32,152						*	32,152
Special Education Aid	495-034-5120-089		7/1/13-6/30/14	1,350,696				1,350,696	1,350,696						*	1,350,696
Security Aid	495-034-5120-084		7/1/13-6/30/14	358,736				358,736	358,736						*	358,736
Under Adequacy Aid	495-034-5120-083		7/1/13-6/30/14	268,344				268,344	268,344						*	268,344
Extraordinary Aid	100-034-5120-473		7/1/13-6/30/14	313,223					313,223			(313,223)			*	313,223
Reimbursed TPAF Social Security	495-034-5120-473		7/1/12-6/30/13	286,845	(286,845)			286,845							*	286,845
Reimbursed TPAF Social Security	495-034-5095-002		7/1/13-6/30/14	1,394,987				1,256,258	1,394,987			(138,729)			*	1,394,987
On-behalf TPAF Postretirement Medical Cont.	495-034-5095-002		7/1/12-6/30/13	1,369,843	(135,583)			135,583							*	1,369,843
On-behalf TPAF Pension and	495-034-5095-006		7/1/13-6/30/14	1,253,133				1,253,133	1,253,133						*	1,253,133
Non-contributory Insurance Contributions	495-034-5095-007		7/1/13-6/30/14	764,281				764,281	764,281						*	764,281
Total General Fund					(422,428)			6,989,597	7,280,418			(451,952)			*	8,937,186
Special Revenue Fund:																
Preschool Education Aid	495-034-5120-086		7/1/13-6/30/14	306,568			37,146	335,803	338,438				34,511		*	312,110
N.J. Nonpublic Textbook Aid	100-034-5120-086		7/1/12-6/30/13	305,500			(37,146)	494	274					220	*	305,500
N.J. Nonpublic Textbook Aid	100-034-5120-064		7/1/13-6/30/14	845		620					620				*	274
N.J. Nonpublic Technology Aid	100-034-5120-064		7/1/12-6/30/13	180				180	175						*	225
N.J. Nonpublic Technology Aid	100-034-5120-064		7/1/13-6/30/14	312		65		695			65			5	*	175
N.J. Nonpublic Nursing Services	100-034-5120-070		7/1/12-6/30/13	1,173										695	*	247
N.J. Nonpublic Nursing Services	100-034-5120-070		7/1/13-6/30/14			866					866				*	308
Total Special Revenue Fund					37,146	1,551		337,172	338,887		1,551		34,511	920	(30,657)	618,839
Capital Projects Fund:																
Boiler Replacement	SP# 0890-030-09-1001			272,048	(224,488)			233,823		(9,335)					*	233,823
Total Capital Projects Fund					(224,488)			233,823		(9,335)					*	233,823
Debt Service Fund:																
Debt Service Aid Type II	100-034-5120-067		7/1/13-6/30/14	6,801				6,801	6,801						*	6,801
Total Debt Service Fund								6,801	6,801						*	6,801
Enterprise Fund:																
National School Lunch Program (State Share)	100-010-3350-023		7/1/13-6/30/14	16,730				14,622	16,730			(2,108)			*	15,790
National School Lunch Program (State Share)	100-010-3350-023		7/1/12-6/30/13	15,778	(769)			769							*	15,778
National School Snack Program (State Share)	100-010-3350-021		7/1/13-6/30/14	38,640				36,324	38,640			(2,316)			*	38,640
National School Snack Program (State Share)	100-010-3350-021		7/1/12-6/30/13	36,672	(2,221)			2,221							*	36,672
Total Enterprise Fund					(2,990)			53,936	55,370			(4,424)			*	111,598
Total State Financial Assistance					(612,760)	1,551		7,621,329	7,681,476	(9,335)	1,551	(456,376)	34,511	920	(291,954)	9,908,167

**CLIFFSIDE PARK  
BOARD OF EDUCATION**

**Schedule of Expenditures of State and Local Awards**

Year ended June 30, 2014

State/Local Grantor/Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2013					Balance at June 30, 2014				MEMO			
			Award Amount	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
Local Awards:															
Special Revenue Fund															
NJSBA/G Safety Grant Program 2011		7/1/11-6/30/12	21,283	283							283		*	21,000	
Laura Bush Foundation		7/1/11-6/30/12	5,000	1,092							1,092		*	3,908	
													*		
Total Local Awards				1,375							1,375		*	24,908	
Total State/Local Financial Assistance			\$	(611,385)	1,551		7,621,329	7,681,476	(9,335)	1,551	(456,376)	35,886	920	(201,954)	9,933,075

See accompanying notes to schedules of expenditures of federal and state awards.

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Education, Borough of Cliffside Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.



**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,253) for the general fund and \$14,196 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$64,345	\$7,277,165	\$7,341,510
Special Revenue Fund	1,703,409	338,887	2,042,296
Capital Projects Fund		9,335	9,335
Debt Service Fund		4,617	4,617
Food Service Fund	<u>880,452</u>	<u>55,370</u>	<u>935,822</u>
Total Financial Awards	<u>\$2,648,206</u>	<u>\$7,685,374</u>	<u>\$10,333,580</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014.

**NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$2,017,414 of on-behalf payments is excluded from major program determination.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported
2. Material weakness(es) identified? \_\_\_\_\_ yes X no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported
2. Material weakness(es) identified? \_\_\_\_\_ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555/10.533</u> (A)	<u>National School Lunch Program/ National School Breakfast Program</u>

Note: (A) - Tested as Major Type A Program.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(continued)**

## Section I - Summary of Auditor's Results, (continued)

## State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?     X     yes        no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        X   none reported
2. Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?                      yes           X           no

Identification of major programs:

<u><b>GMIS Number(s)</b></u>	<u><b>Name of State Program</b></u>
<u>495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>

Note: (A) - Tested as Major Type A Program.

## Section II - Financial Statement Findings

None

### ***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

None

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Status of Prior Year Findings**

None